

Hybrid Finance Committee Agenda
Niagara Peninsula Conservation Authority
Wednesday April 16, 2025, 9:00 a.m.
3350 Merrittville Hwy., Thorold ON

1. APPROVAL OF AGENDA

2. DECLARATIONS OF CONFLICT OF INTEREST

3. APPOINTMENT OF CHAIR & VICE CHAIR

4. PREVIOUS MEETING MINUTES

4.1. Minutes of the NPCA Finance Committee dated September 25, 2024

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5. CORRESPONDENCE

6. PRESENTATIONS

6.1. Presentation by KPMG RE: Audited Financial Statements and Audit Findings Report for 2024 Fiscal Year

7. DELEGATIONS

8. CONSENT ITEMS

8.1. Report No. FC-04-25 RE: Banking and Investments – 2024 Activity

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8.2. Report No. FC-05-25 Procurement – 2024 Activity

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9. DISCUSSION ITEMS

9.1. Report No. FC-01-25 RE: Finance Committee Workplan

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9.2. Report No. FC-08-25 RE: Procurement Policy – Amendment

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9.3. Report No. FC-09-25 RE: Delegation of Authority Policy – Amendment

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9.4. Report No. FC-03-25 RE: 2024 Audited Financial Statements and Audit Findings Report

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9.5. Report No. FC-02-25 RE: Financial Report – Q4 – 2024

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9.6. Report No. FC-06-25 RE: 2025 Operating and Capital Budgets and Municipal Levies

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10. NEW BUSINESS

11. CLOSED SESSION

12. ADJOURNMENT

**Finance Committee
MINUTES
Hybrid Meeting
Niagara Peninsula Conservation Authority
3350 Merrittville Hwy., Thorold ON
Wednesday, September 25, 2024, 9:00 a.m.**

ATTENDANCE: Stew Beattie
Rob Foster, Chair
Brian Grant
John Metcalfe
Patrick O'Neill

REGRETS: Mark Tadeson

STAFF PRESENT: Leilani Lee-Yate, CAO & Secretary-Treasurer
Lise Gagnon, Director, Corporate Services
Adam Christie, Director, Conservation Areas
Melanie Davis, Manager, Office of the CAO & Board
Eric Gervais, Manager, Corporate Support Services
Cathy Coverdale, Manager, Financial Services

Chair Foster called the meeting to order at 9:00 a.m.

1. APPROVAL OF AGENDA

Recommendation No. FC-17-2024

Moved by: Patrick O'Neill

Seconded by: Brian Grant

THAT the Finance Committee meeting agenda September 25, 2024 **BE APPROVED.**

CARRIED

2. DECLARATIONS OF CONFLICT OF INTEREST

None.

3. APPROVAL OF THE MINUTES

3.1. Minutes of the NPCA Finance Committee dated July 24, 2024

Recommendation No. FC-18-2024

Moved by: John Metcalfe

Seconded by: Brian Grant

THAT the Finance Committee minutes dated July 24, 2024 **BE RECEIVED**.

CARRIED

4. CORRESPONDENCE

None.

5. PRESENTATIONS

None.

6. DELEGATIONS

None.

7. CONSENT ITEMS

None.

8. DISCUSSION ITEMS

8.1. Report No. FC-10-24 RE: 2025 Draft Operating Budgets and Municipal Levies

Lise Gagnon, Director, Corporate Services, provided an overview of the report noted with a presentation. Discussion ensued regarding key drivers, capital repairs, and identified unfunded priorities. Further discussion regarding the investment in staff, capital priorities, and financial constraints within municipalities ensued.

Recommendation No. FC-19-2024

Moved by: John Metcalfe

Seconded by: Stew Beattie

THAT Report No. FC-10-24 RE: 2025 Draft Budgets and Municipal Levies **BE RECEIVED**;

AND FURTHER THAT the Finance Committee is recommending that the Board of Directors **CONSIDER** and **APPROVE** the following recommendations:

THAT the 2025 Draft Budgets & Municipal Levies **BE APPROVED** at the Board of Directors meeting on October 18, 2024 for discussion with municipal staff, in accordance with Board approved Budget Assumptions;

THAT the targeted Land Securement Reserve contributions as per the Land Securement Strategy **BE PRESENTED** to municipal partners for their consideration, identified as an item in the Special Levy envelope;

THAT the list of 2025 unfunded pressures **BE PROVIDED** to partner municipalities for any future opportunities outside the 2025 budget through collaborative projects or external funding;

THAT NPCA staff **REPORT** the results of discussions with municipal staff to the 2025 Q2 Finance Committee and Board of Directors meetings;

AND FURTHER THAT a copy of the 2025 Draft Budgets and Municipal Levies **BE FORWARDED** to partner municipalities in advance of the October 18, 2024 NPCA Board of Directors meeting.

CARRIED

9. NEW BUSINESS

10. CLOSED SESSION

None.

11. ADJOURNMENT

The Finance Committee meeting was adjourned at 9:50 a.m.

Report To: Finance Committee

Subject: Banking and Investments – 2024 Activity

Report No: FC-04-25

Date: April 16, 2025

Recommendation:

THAT Report No. FC-04-25 RE: Banking and Investments – 2024 Activity **BE RECEIVED.**

Purpose:

The purpose of this report is to provide the Finance Committee with information on banking and investments for the 2024 fiscal year.

Discussion:

| Cash and Cash Equivalents | | | | |
|----------------------------------|---------------------|---------------------|----------------------|---------------|
| | 2024 | 2023 | Change | % |
| Bank of Montreal | \$ 1,297,681 | \$ 3,301,834 | -\$ 2,004,153 | -61% |
| Toronto Dominion Bank | \$ 11,083 | \$ - | \$ 11,083 | 0.0% |
| Petty Cash | \$ 4,100 | \$ 4,100 | \$ - | 0.0% |
| CIBC | \$ 74,444 | \$ 22,563 | \$ 51,881 | 229.9% |
| Meridian | \$ 16,289 | \$ 19,728 | -\$ 3,439 | -17.4% |
| Total | \$ 1,403,597 | \$ 3,348,225 | -\$ 1,944,628 | -58.1% |

The 2024 to 2023 variance of (\$1.94M) is the result of three primary factors: implementation of the compensation review project, land acquisitions in Q1 of 2024 and an increase in the accounts receivable resulting from fully funded activity.

CIBC and Meridian bank accounts are maintained to provide banking services for NPCA sites (e.g. conservation areas and offices) where Bank of Montreal branches are not available. All balances are transferred to the BMO primary account as needed to maximize interest revenue. Variances at the end of 2024 are due to timing of these transfers.

NPCA is currently in the process of consolidating and transitioning all financial activity to the Toronto Dominion Bank, in accordance with the contract award resulting from the competitive request for proposals conducted in 2024.

| Investments | | | | |
|--------------------|------------------|------------------|------------------|---------------|
| | 2024 | 2023 | Change | % |
| GIC's - Meridian | 3,642,384 | 4,636,276 | - 993,892 | -21.4% |
| Total | 3,642,384 | 4,636,276 | - 993,892 | -21.4% |

The reduction in the total investment value is due to the redemption of a GIC in March 2024 to fund the purchase of five land parcels.

Indebtedness

Throughout 2024, NPCA had an operating line of credit available in the amount of \$800,000, and received Board direction to increase it to \$1,000,000 in September 2024. This credit facility was not utilized in 2024.

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 – 2024 Activity

Report No: FC-05-25

Date: April 2, 2025

Recommendation:

THAT Report No. FC-05-25 RE: Procurement – 2024 Activity **BE RECEIVED.**

Purpose:

The purpose of this report is to provide the Finance Committee with an annual update on the following procurement activity for the 2024 fiscal year:

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

Background:

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

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

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 pertaining to the procurement of goods and services would be brought forward.

Discussion:

Non-Competitive Procurement

All Non-Competitive Procurements above \$25,000 in value are approved by the Board. In 2024, NPCA proceeded with four (4) transactions in a non-competitive environment:

1. Van Harten Surveying Inc.

Purchase Order (PO) #1650 was issued on February 21, 2024, for \$23,000. It was approved by the Manager, Land Planning, Director, Planning and Development, and CAO/Secretary-Treasurer to acquire Land Survey Services.

Justification: An urgent need to conduct a Land Survey for the Purchase of a Property located at 333 Regional Road 14, in Haldimand County, Ontario was required to meet external funding criteria and timeline to support the purchase of this property.

2. Van Harten Surveying Inc.

PO #1651 was issued on February 21, 2024, for \$14,500. It was approved by the Manager, Land Planning, Director, Planning and Development, and CAO/Secretary-Treasurer to acquire Land Survey Services.

Justification: An urgent need to conduct a Land Survey for the 2024 Purchase of a Property located at 3063 Ninth Street, Lincoln, Ontario was required to meet external funding criteria and timeline to support the purchase of this property.

3. TNR Production Inc.

PO #1658 was issued on April 10, 2024, for \$56,524. It was approved by the Manager, Conservation Area Programs & Services, Director, Conservation Areas, CAO/Secretary-Treasurer, and the Board of Directors.

The procurement was presented for Board consideration in **Report No. FA-15-24** RE: Single Source Procurement for Ball's Falls Thanksgiving Festival at the March 22, 2024 Full Authority meeting.

Justification: Single source procurement in Report No. FA-15-24 Procurement for Ball's Falls Thanksgiving Festival was based on the need to secure special musical entertainment, stage and equipment rentals, and main stage entertainment production for the 50th annual Ball's Falls Thanksgiving Festival. The report explains that the procurement of an elevated musical artist and the required staging, backline, and production is exempt from the

Procurement Policy under Section 8.2 Allowable Exceptions for Non-Competitive Procurement. “Non-competitive Procurement of Goods and Non-Consulting Services are allowed, subject to appropriate Procurement approvals, in the following circumstances: vi. for the Procurement of original works of art;” This exemption was necessary to ensure the success of the festival by providing high-quality entertainment and production services. The policy stipulates that procurements exceeding \$25,000 require Board approval for exceptions under Section 8.2.

4. University of Guelph

PO #1678 was issued on July 10th, 2024, for \$150,000. It was approved by the Senior Manager - Integrated Watershed Strategies, Director, Watershed Strategies and Climate Change, CAO/Secretary-Treasurer, and the Board of Directors.

The procurement was presented for Board consideration in **Report No. FA-33-23** Research Contract for the Welland River and Big Forks Creek Soil and Water Assessment Tool (SWAT) Water Quality Modelling Research Project at the July 21, 2023 Full Authority meeting.

Justification: This research project is exempt from NPCA Policy under Section 8.2 of NPCA’s Procurement Policy for Non-Competitive Procurement of Goods and Non-Consulting Services. The policy states that Non-Competitive Procurement of Goods and/or Services is allowed for the Procurement of a prototype or the first Goods and/or Services to be developed for research, experiment, study, or original development, but not for subsequent purchase.

Unsolicited Proposals

There were no unsolicited proposals received in 2024.

CAO/Secretary-Treasurer Approved Capital Project Transactions

In 2024, the CAO/Secretary-Treasurer approved a total of four (4) transactions in excess of \$100,000 for Board-approved capital projects. Further details of these transactions are provided below; project totals are exclusive of HST.

1. Key West Gates

PO #1645 was issued on January 17, 2024, for \$169,080 for the installation of Gates System at Rockway Conservation Area, St. John’s Conservation Area, Chippawa Creek Conservation Area & Long Beach Conservation Area. This was an open, competitive procurement process, and submissions were received through Bids & Tenders.

2. Geosyntec Consultants International, Inc.

PO #1660 was issued on April 19, 2024, for \$251,898 for the Lyons Creek East Sediment Management Project. This was an open, competitive procurement process, and submissions were received through Bids & Tenders.

3. CRL Campbell

PO #1661 was issued on April 24, 2024, for \$832,971 for the Driveway improvements at the Woodend Conservation Area. This was an open, competitive procurement process, and submissions were received through Bids & Tenders.

4. R&M Construction

PO #1682 was issued on July 19, 2024, for \$224,508 for the 12 Mile Creek Restoration Project in the Town of Pelham. This was an open, competitive procurement process, and submissions were received through Bids & Tenders.

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.

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 the following collaborative agreements, leveraging the benefits of cooperative procurement:

- Containerized waste removal (Niagara Region–Niagara Public Purchasing Committee)
- Supply and delivery of fuel (City of Welland - Niagara Public Purchasing Committee)
- Supply and Delivery of Propane (DSBN - Niagara Public Purchasing Committee)
- Workplace print and services (Ministry of Government and Consumer Services)
- Corporate credit card services (Ministry of Government and Consumer Services)
- Courier services (Ministry of Government and Consumer Services)
- Mobile devices and related services (Ministry of Government and Consumer Services)
- Fine paper agreement (Ontario Educational Collaborative Marketplace)
- Apparel, Uniforms, Safety Footwear, and Related Services (Ontario Educational Collaborative Marketplace)
- Grounds Maintenance Program (Canoe Procurement Group of Canada)

- Electrical Products & Related Services (Ontario Educational Collaborative Marketplace)
- Plumbing and Heating, Ventilation, and Air Conditioning (HVAC) (Products Ontario Educational Collaborative Marketplace)
- Credit and Debit Card Processing Devices and Services (Ontario Educational Collaborative Marketplace)
- Insurance (Conservation Ontario)

Related Reports and Appendices:

[Procurement Policy](#)

[Delegation of Authority Policy](#)

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 – 2025 Work Plan

Report No: FC-01-25

Date: April 16, 2025

Recommendation:

THAT Report No. FC-01-25 RE: Finance Committee – 2025 Work Plan **BE RECEIVED;**

AND THAT the Finance Committee - 2025 Work Plan attached as Appendix 1 **BE APPROVED.**

Purpose:

The purpose of this report is to present the draft 2025 Work Plan to the Finance Committee for approval.

Discussion:

The 2025 Finance Committee Work Plan forms a key component of the financial reporting, planning and control structures of the organization, and identifies key priority initiatives required in the year ahead.

Additionally, the Work Plan outlines how implementation of this work will be monitored against 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 – 2025 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 |
| DRAFT - SUBJECT TO APPROVAL | | | | | | | | | | | | |
| Finance Committee | | | | 16-Apr | | | 16-Jul | | 17-Sep | | | |
| Full Authority Board | | 21-Feb | 21-Mar | 25-Apr | 17-May | 27-Jun | 25-Jul | | 19-Sep | 24-Oct | 21-Nov | 19-Dec |
| 1. Terms of Reference, Audit Work Plan, Committee Evaluation, Appointment of Officers | | | | | | | | | | | | |
| a) 2025 work plan | | | | X | | | | | | | | |
| 2. External Audit | | | | | | | | | | | | |
| a) Appointment of external auditor for 2024 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 2024 Q4 year end results, variance reports | | | | X | | | | | | | | |
| b) Review quarterly results, variance reports and projections - 2025 - Q1 | | | | | X | | | | | | | |
| c) Review quarterly results, variance reports and projections - 2025 - Q2 | | | | | | | X | | | | | |
| d) Review quarterly results, variance reports and projections - 2025 - Q3 | | | | | | | | | | | X | |
| e) 2024 Banking and Investment Activity | | | | X | | | | | | | | |
| f) 2024 Procurement Activity | | | | X | | | | | | | | |
| 4. Operating and Capital Budgets | | | | | | | | | | | | |
| a) 2025 Budgets and Municipal Levies - FINAL | | | | X | | | | | | | | |
| b) 2026 Operating and Capital budget assumptions - Committee | | | | | | | X | | | | | |
| 2026 Operating and Capital budget assumptions - Board | | | | | | | | | X | | | |
| c) 2026 Draft Operating and Capital budgets - Committee | | | | | | | | | X | | | |
| 2026 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) Project and grant fund management capacity | | | | | | | 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 | | | | | | | | | | |
| 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 | | | | | | | | | | |

Report To: Finance Committee

Subject: Procurement Policy Amendment

Report No: FC-08-25

Date: April 16, 2025

Recommendation:

THAT Report No. FC-08-25 RE: Procurement Policy Amendment **BE RECEIVED;**

AND THAT the revised Procurement Policy, as appended, **BE ENDORSED;**

AND FURTHER THAT the revised Procurement Policy be brought forward **FOR FULL AUTHORITY APPROVAL** at the next scheduled meeting.

Purpose:

The purpose of this report is to provide the Finance Committee with a comprehensive overview of the proposed amendments to the Procurement Policy. This report aims to outline the rationale behind the amendments, detail the specific changes being recommended, and highlight the anticipated impact on procurement activities.

Discussion:

The key areas of this report include:

- Changes to Procurement Threshold Limits
- Change to the Non-Competitive Procurement Threshold for CAO Approval
- Removal of Unsolicited Proposal
- Aligning Conflict of Interest requirements
- Changes to Appendix B Competitive Bid Requirements Background

The current Procurement Policy was approved by the Board on April 16, 2020. Over the past five years, the Niagara Peninsula Conservation Authority (NPCA) has been diligently ensuring that the organization receives value for money spent on goods and services. This ongoing effort has involved adhering to procurement policies, promoting transparency and

competitiveness in the acquisition of goods and services, and continuously assessing and improving procurement practices to meet these objectives.

The recommended amendments to the Procurement Policy are in alignment with NPCA's partners and modelled in keeping with organizations of similar size and scope.

Staff are recommending the following amendments to the current policy. Please see Appendix 1 for the revised Procurement Policy.

Changes to Procurement Threshold Limits:

The proposed amendments to the Procurement Policy include several changes to the procurement threshold limits to streamline processes and ensure effective expenditure management. The key changes are as follows:

1. **Informal Quotations:** The minimum threshold for informal quotations has been increased from \$7,500 to \$15,000. This change aims to reduce the administrative burden associated with processing a high volume of low-value transactions, allowing staff to focus on more strategic tasks.
2. **Invitational Competitive or Open Competitive:** This threshold has been adjusted to cover purchases between \$15,000 and \$50,000. This process can be either informal or formal, depending on the complexity and requirements of the procurement.

These changes reflect the current economic conditions and help maintain operational efficiency while ensuring compliance with procurement policies and principles. By aligning NPCA's thresholds with those of other Conservation Authorities, such as the Toronto and Region Conservation Authority (TRCA) and Conservation Halton, the NPCA ensures consistency and appropriateness for current procurement needs.

The thresholds of Open Competitive (between \$50,000 and \$100,000) and Public Tender (over \$100,000) are not recommended to change. This ensures that staff receive detailed proposals required to make informed decisions regarding complex procurements, while high value procurements are conducted in a transparent manner.

Changes to Non-Competitive Procurement Threshold for CAO Approval:

The proposed amendment to increase the non-competitive procurement threshold for CAO approval from \$25,000 to \$50,000 is aimed at enhancing the efficiency and flexibility of procurement processes within the NPCA. This change will allow for more streamlined decision-making in situations where competitive bidding is not feasible, such as emergencies or when only one vendor can meet the requirements.

All non-competitive procurement activities are reported to the Board of Directors annually, ensuring transparency and accountability. Corporate Services staff provide a full written report on all non-competitive procurement transactions to the Board within three months of the subsequent year.

Removal of Unsolicited Proposal:

The proposed amendment to remove the unsolicited proposal process from the Procurement Policy is based on the recommendation that NPCA no longer accept unsolicited proposals. It should be noted that we have not received any unsolicited proposals in the last 4 years. This change ensures that all procurement activities are conducted through a transparent and competitive process, promoting fairness and accountability. By eliminating the unsolicited proposal process, NPCA can focus on competitive bidding, which aligns with public sector best practices and regulatory requirements.

Any unsolicited proposal received would need to be procured competitively, ensuring that all vendors have an equal opportunity to participate in the procurement process.

Update to Conflict of Interest:

The proposed amendment to the Conflict of Interest guidance involves leveraging the provisions in the Employee Code of Conduct to eliminate duplication and minimize risk of conflicting protocols while maintaining consistent organizational standards.

Changes to Appendix B Competitive Bid Requirements:

The proposed changes to the Competitive Bid Requirements are designed to provide clarity, streamline and simplify the guidelines and procedures for procuring goods and services. Providing clear and concise instructions will reduce confusion, allow for more efficient navigation of the procurement process and facilitate compliance with procurement policies

Please see Appendix 1 for the revised Procurement Policy.

Related Reports and Appendices:

Appendix 1: Procurement Policy (Revised)

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



| PROCUREMENT POLICY | | | |
|--------------------|--|-------------------|--------------------|
| Developed by: | Corporate Services | | |
| Policy Applies To: | All Employees/Board Members/Volunteers | | |
| Date Created: | April 16 2020 | Approved By: | Board of Directors |
| Version #: 1 | 2025-1 | Last Review Date: | April 2025 |

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Purpose and Objectives

Purpose

The purpose of this procurement Policy is to:

- Simplify and clarify procurement–related policies based on sound procurement practices;
- Ensure compliance with mandatory elements of the Procurement Policy;
- Ensure that goods and/or services procured by the NPCA are acquired through a process that is fair, open, transparent, and accessible to qualified vendors;
- Define the responsibilities of individuals and organizations in each stage of the procurement process;
- Obtain the best value for the NPCA when procuring goods and/or services;
- Ensure consistency in the management of procurement-related processes and decisions;
- Ensure the procurement of goods and/or services with due regard to environmental considerations; and
- Encourage competitive bidding

Application

This Procurement Policy applies to the procurement of all goods and/or services to meet the NPCA's needs. This policy establishes the authority of officer(s) and employee(s) to authorize and execute transactions with respect to supply-chain related activities, ensuring an appropriate level of control and accountability.

Applicable Legislation

Consistency and Contradictions

Where there may be apparent contradictions between this policy and other legal requirements to which the NPCA is subject, every effort should be made to interpret both this policy and the other requirements in a consistent manner.

If any provision of this policy is found to be inconsistent with the provisions of a collective agreement, the collective agreement will prevail, unless the policy provision is required by law, in which case the policy provision will prevail.

Where funding for a purchase is provided by a funding agency, a more stringent set of approval requirements may be used at the discretion of the funding agency. If the funding agency approval requirements are more stringent than this policy, the funding agency requirements will prevail.

Governance

This policy acknowledges that it is the role of the officer(s) and employee(s) of the NPCA to implement the Board of Directors' decisions. The ethical, efficient, sustainable and accountable management of supply-chain related activities within the organization and the need to respond to various supply-chain related issues in a timely fashion makes it appropriate for the Board of Directors to delegate certain administrative powers and duties to officer(s) and employee(s) of the NPCA subject to oversight by Corporate Services.

The NPCA's Board of Directors always has ultimate authority in all matters. In the event of a conflict between the terms of this policy and a specific resolution of the board, the resolution of the board prevails.

This policy applies to all employees of the NPCA and its Board of Directors.

Definitions

“ACAN” An Advance Contract Award Notice (ACAN) is a public notice indicating to the supplier community that a department or agency intends to award a good, service or construction contract to a pre-identified supplier, believed to be the only one capable of performing the work, thereby allowing other suppliers to signal their interest in bidding by submitting a statement of capabilities

“Administrative Powers” means all actions which may be taken by the Board of Directors and Committees, individual members of the board, and all the NPCA senior administration and employees, which are necessary or appropriate for the effective management of the Conservation Authority in the performance of its responsibilities, including the procurement and disposal of goods, services and property for the purposes of the NPCA;

“Amount” and “Amounts” mean the cost of the purchase over the term of the contract/agreement, in Canadian dollars, and are exclusive of any applicable taxes;

“Approver” means immediate supervisor (i.e. “CAO”, “Director”, “Manager” or an individual who holds a position above the immediate supervisor in the organization chart or an individual to whom the immediate supervisor delegates. If a Policy exception is requested, this would be the NPCA’s Chief Administrative Officer/Secretary-Treasurer.

“Bid” means a proposal, quotation, or tender submitted in response to a solicitation from a contracting authority. A bid covers the response to any of the three principal methods of soliciting bids, i.e., Request for Tender, Request for Proposal, and Request for Quotation;

“Bid Solicitation” means any competitive procurement (purchasing) process authorized by this Policy and consistent with the principles of the Broader Public Sector Procurement Directive and includes:

- (a) **“Request for Tender”** (RFT) means a purchasing process in which suppliers are publicly invited to submit bids and the bids are compared on the basis of price and delivery and where contract award may be determined on the basis of lowest-priced bid that meets all of the NPCA’s requirements, subject to the Conservation Authority’s discretion, and may permit negotiation between the Conservation Authority and one or more bidders about certain aspects of the request
- (b) **“Request for Quotation”** (RFQ) means a purchasing process in which suppliers are asked to provide a quote for the provision of a good or service. It is used where the contract requirements are well defined such that bids may be evaluated and compared on the basis of price and may at times include other criteria, and where contract award may be determined on the basis of lowest-priced bid that meets all of the Conservation Authority’s requirements, subject to the Conservation Authority’s discretion. It may involve a public call for quotes or may be part of an invitation-only process; and,
- (c) **“Request for Proposal”** (RFP) means a purchasing process in which suppliers are publicly invited to propose a solution to a problem, requirement or objective and supplier selection is based on the effectiveness of the proposed solution rather than on price as the primary consideration, and may permit negotiation between the Conservation Authority and one or more bidders about certain aspects of the request.
- (d) **“Request for Information”** (RFI) means a business process whose purpose is to solicitate and collect written information about the capabilities of various suppliers. Its purpose is for conditioning, gaining information, preparing for Request for Proposal or Request for Quotation, forming a strategy, building a database.

(e) **“Expression of Interest”** (EOI) is the process of seeking an indication of interest from potential service providers who are capable of undertaking specific work.

“Board” means the Board of Directors of the NPCA;

“Budget” means the budget or portion of the budget approved by the board;

“CETA” mean Canada European Union Comprehensive Economic and Trade Agreement;

“CFTA” means Canadian Free Trade Agreement;

“Change Order” means work that is added to or deleted from the original scope of work or quantity ordered or price change from a purchase order or contract.

“Conservation Authority” or “NPCA” means Niagara Peninsula Conservation Authority

“Committee” means the appropriate committee of the Board of Directors;

“Commitment” means any verbal commitment, written or oral, or undertaking which could have the effect, if implemented or acted upon, of legally binding the NPCA;

“Conflict of Interest” means:

- i. In the case of persons covered by the NPCA’s Conflict of Interest Policy, as updated from time to time, any real, apparent or potential conflict as
- ii. defined in the Conflict of Interest Policy; and,
- iii. In the case of a Proponent:

(a) If interests of the proponent or its principals, employees, subcontractors or representatives could improperly influence, or could reasonably appear to improperly influence, the NPCA’s decision to award a proposed contract or the proponent’s performance of duties and responsibilities to the NPCA under a proposed contract;

(b) If the proponent, any of its subcontractors, any of their respective employees or former employees or representatives were involved in any manner in the preparation of the bid solicitation or in any situation of conflict of interest; or

(c) If the proponent, any of its subcontractors, any of their respective employees or former employees had or have access to information related to the bid solicitation that was not available to other bidders and that would, in the NPCA’s opinion, give or appear to give the proponent an unfair advantage.

“Consultant” or “Consulting Services” means the provision of expertise or strategic advice that is presented for consideration and decision making.

“Document” or “Documents” means any written instrument whether on paper or in electronic form including, any contract, contract amendment, agreement, deed, purchase order, change order, memorandum, letter of intent, application, release, waiver or acknowledgement which, when executed, will have or is intended to have the effect of causing the NPCA’s to be bound in a legally enforceable relationship with any other person but shall not include:

- (i) any cheques, bank drafts, orders for payment of money, promissory notes, acceptances, bills of exchange, debentures and any similar instruments;
- (ii) correspondence, whether by letter or in electronic form, intended to convey information or clarify a position on a matter, but not intended to create a contract or agreement or commitment

between the NPCA and any other person, whether or not a legally enforceable right or remedy is created thereby;

“Execute” means to complete the formalities intended to give effect to a document and may include any one or more of the following formalities as may be required in the circumstances:

- (i) signing the document;
- (ii) causing the seal of the NPCA to be affixed to the document;
- (iii) causing delivery of the document to be made to the other parties to the document

“Including” and **“includes”** when used herein means “including without limitation” and “includes without limitation”; **“Invitational Bid Solicitation”** means any competitive procurement (purchasing) process where suppliers are invited to submit a proposal or bid in response to the defined requirements outlined by the NPCA;

“Open Bid Solicitation” means a bid solicitation made through an electronic tendering system that is readily accessible by all Canadian suppliers;

Purchase Order: A formal document issued by the organization to a vendor, authorizing the purchase of goods or services. It outlines the specific items, quantities, and agreed-upon prices, and serves as a legally binding agreement between the buyer and the seller.

a) A **purchase order (PO)**, which refers to the NPCA’s standard terms and conditions outlined in the Bid Solicitation, shall be used when the terms and conditions of the procurement are unambiguous.

b) A **Formal Agreement** shall be used when the terms of the Bid Solicitation are complex or are the result of negotiation.

“Proponent” means a corporation, partnership, individual, sole proprietorship, or other entity seeking to enter into a contractual relationship with the NPCA, in exchange for payment, but does not include individuals seeking to enter into an employment relationship with the NPCA;

“RGO” means Revenue Generating Opportunities is any activity that generates revenue from business activities occurring on NPCA’s premises, including but not limited to visitor experience activities, vending opportunities, retail activities, food Services, rental of facilities, property and equipment, tour opportunities, and visitor programs.

Roster: A list of suppliers that have participated in and successfully met the requirements of a Request for Pre-Qualification (RFPQ) or a Request for Standard Offer of Agreement (RFSO). These suppliers have been prequalified to perform work assignments involving the delivery of a particular type of goods, services, or construction.

Services: Refers to intangible products that do not have a physical presence. This includes consulting, professional, and specialized services, as well as services procured as part of a construction contract.

“Single Source” Means an individual supplier with whom a contract is negotiated directly for the supply of goods and services, without being selected through a competitive bid process

“Sole Source” In relation to a proposed acquisition, means the only known source of supply of a particular good or services, following a reasonable inquiry into the availability of supply.

Procurement Methods

General Policies and Procedures

All purchases of goods and services by NPCA employees and the Board of Directors must comply with:

- a. the requirements of this policy, including all appendices,
- b. all applicable laws, including the *Conservation Authorities Act*; and
- c. any other applicable NPCA policies, collective agreements, and relevant legal agreement(s).

Purchasing Processes

All purchases of goods and services listed in **Appendix A** – exempt expenditures are exempt from the requirement to follow a competitive bid process but must comply with all other provisions of this Policy

All purchases of goods and services, except for consulting services and exempt expenditures set out in Appendix A, must comply with the competitive bid processes set out in **Appendix B, Table 1** – competitive bid requirements for goods, non-consulting services

All purchases of consulting services must comply with the competitive bid processes set out in **Appendix B, Table 2** – competitive bid requirements for consulting services.

Procurement Requirements

Purchasing approvals

Employees or officers of the NPCA identified in Appendix B, Table 3 as signing officers have the authority to execute documents for the purchase of goods and services, up to the limits specified in Appendix B, Table 3, provided that:

- (a) the purchase complies with this Policy and the Delegation of Authority Policy;
- (b) the purchase is within an approved budget, or, where not provided for in an approved budget, has the approval of the Chief Administrative Officer/Secretary-Treasurer or delegate;
- (c) the purchasing document(s) have been reviewed by the procurement specialist;

Authority to Approve Policy Exceptions

Non-competitive procurement under \$50,000 - CAO/Secretary-Treasurer

Non-competitive procurement over \$50,000 - NPCA Board of Directors

Purchase Order

Purchases over \$15,000 require a Purchase Order if there is no executed agreement.

Responsibilities and Authorities

The Chief Administrative Officer/Secretary-Treasurer shall have all the necessary authority to administer this Policy and, as per the delegation of authority policy, carry out their duties on behalf of the NPCA.

Management Responsibilities

The Procurement Specialist is responsible for and shall have the authority to:

- acquire goods and services;
- call, receive, open, and review bids;
- authorize, amend, or cancel a purchase order;
- establish procedures for the implementation of this Policy;
- establishes standards for bid solicitation, purchase orders, contracts, and other documents required to manage supply chain-related activities;
- establish the terms and conditions of bid solicitations;
- guide procurement processes and procedures and the structure, format, and general content of bid solicitations;
- review proposed bid solicitations to ensure clarity, reasonableness, and quality and advise staff of suggested improvements;
- ensure open, fair, and impartial purchasing processes for goods and services;
- ensure compliance with this Policy and advise the Chief Administrative Officer/Secretary-Treasurer through the Director, Corporate Services when there has been noncompliance. The Chief Administrative Officer/Secretary-Treasurer shall take appropriate action to address and correct any non-compliance;
- facilitate strategic sourcing with preferred vendor agreements in conjunction with the department and to utilize collaborative buying programs with other organizations where feasible;
- promote the standardization of goods and services, where such standardization demonstrably supports the purpose and scope of this Policy;
- incorporate, where appropriate, accessibility criteria and features when procuring goods, services, or facilities in order to create and maintain an accessible environment as required under the *Accessibility for Ontarians with Disabilities Act* (the "AODA").
- to procure environmentally or sustainable good(s) where possible

Departments will have the following specific responsibilities:

- ensuring that all document terms and conditions comply with the bid solicitation;
- preparing and approving all specifications and terms of reference in consultation with Procurement Specialist;
- managing documents to ensure goods and services are received by the NPCA and comply with the document terms and conditions;
- monitoring all documented expenditures and ensuring that all financial limitations have been complied with and that all accounts are paid within the times set out in the document;
- monitoring the performance of suppliers/contractors/vendors/service providers;
- standardizing the use of goods and services, where such standardization demonstrably supports the purpose and scope of this Policy; and
- ensuring that all goods and services purchased have been received/rendered and receipt recorded.

Non-Competitive Procurement

Non-Competitive Procurement Allowable Exceptions

Non-competitive procurements are procurements to acquire goods and/or services from a specific vendor:

- even though there may be more than one vendor capable of delivering the same goods or services (known as "single source");
- because there are no other vendors available or able to provide the required goods and/or services (known as "sole source"); or

The NPCA may, subject to appropriate procurement approval authority, use a non-competitive procurement process if any of the exceptions set out below apply.

Approval for Non-Competitive Procurement

Non-competitive procurement under \$50,000

NPCA staff may request an exemption from any or all purchasing methods outlined in this policy by submitting a staff report requesting approval from the Chief Administrative Officer/Secretary-Treasurer prior to conducting a non-competitive Procurement.

If approval is being sought for a non-competitive procurement to extend a contract with an existing vendor, NPCA staff must seek appropriate approvals from the Chief Administrative Office/Secretary-Treasurer prior to the contract end date and in sufficient time to permit an alternative procurement method.

The exception to the requirement for prior approval is for unforeseen situations of urgency (e.g., caused by the forces of nature) that cannot wait for appropriate procurement approvals. In such unforeseen situations of urgency, an Exception Form (Appendix C) must be completed, and appropriate procurement approvals must be secured as soon as practically possible

If the non-competitive procurement is over \$50,000, NPCA staff must seek approvals from the Board of Directors.

Allowable Exceptions for Non-Competitive Procurement

Non-competitive procurements of goods and/or services are only allowed in the following circumstances, subject to appropriate procurement approvals.

- a) An unforeseen situation of urgency exists, and the goods, services, or construction cannot be obtained by means of competitive procurement (and not because the situation of urgency was brought about by a failure of NPCA to allow sufficient time to conduct a competitive process).
- b) The goods and/or services involve matters of a confidential or privileged nature, and the disclosure of those matters through a competitive procurement process could reasonably be expected to compromise NPCA's confidentiality, cause economic disruption, or otherwise be contrary to the public interest.
- c) For urgent legal circumstances that may occur that necessitate an immediate reaction or assistance that requires professional legal services.
- d) A competitive procurement process could interfere with NPCA's ability to maintain security or order or to protect human, animal, or plant life or health.
- e) There is an absence of any bids in response to a competitive procurement process that has been conducted in compliance with this Procurement Policy.
- f) The procurement is in support of Indigenous Peoples.
- g) The procurement is with a public body (Broader Public Sector Organization).
- h) Only one vendor can meet the requirements of a Procurement due to the following circumstances:
 - i) to ensure compatibility with existing products – compatibility with existing products may not be allowable if the reason for compatibility is the result of one or more previous non-competitive procurements. Note: NPCA may issue an ACAN (*Advance Contract Award Notification*) if it relies on the exception for non-competitive procurement notice. This includes posting the ACAN at least 15 days prior to the proposed contract award on the public tendering system.

- ii) to recognize exclusive rights, such as exclusive licenses, copyright, and patent rights, or to maintain specialized products and or systems that must be maintained by the manufacturer or its license representatives; or
- iii) for the Procurement of goods and/or services the supply of which is controlled by a vendor that has a statutory monopoly.

In addition to the above, non-competitive procurement of goods and non-consulting services is allowed, subject to appropriate procurement approvals, in the following circumstances:

- i) Only one vendor can meet the requirements of a procurement in the following circumstances
 - i. for work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;
 - ii. for work to be performed on the property by a contractor according to provisions of a warranty or guarantee held in respect to the property or original work;
 - iii. for a contract to be awarded to the winner of a design contest;
 - iv. for the procurement of a prototype or the first goods and/or services to be developed during research, experiment, study, or original development, but not for any subsequent purchases;
 - v. for the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
 - vi. for the procurement of original works of art;
 - vii. for the procurement of a musical artist;
 - viii. for the procurement of subscriptions to newspapers, magazines, or other periodicals; or
 - ix. for the purchase of real property

If the amount of the procurement exceeds \$50,000, any such exemption must be approved by the Board of Directors.

Non-Competitive Procurement Business Case Requirements

Written documentation for non-competitive procurement on or accompanying the Exception Form must include:

- a) a description of the business requirements
- b) a description of the proposed non-competitive procurement process, including the approximate value and the estimated contract start and end dates;
- c) The identified exception that supports the non-competitive procurement must be documented, including evidence for allowable exceptions where only one vendor can meet the requirements. If no exception applies, it must be noted in the business case that NPCA will need to seek board approval according to this Procurement Policy. The business case must clearly identify the specific requirement(s) from which it seeks to be exempt.
- d) the results of any ACAN process, if used;
- e) the rationale for using a non-competitive procurement process, including the circumstances that prevent the use of a competitive procurement process (which must support the allowable exception or exemption being requested);
- f) a statement as to whether the selected vendor has previously been awarded a contract with the NPCA within the past five years for the same or closely related requirements, and the type of procurement process(es) used;
- g) a description of the potential pool of vendors that might have responded to a competitive procurement, where appropriate, and an assessment of reasonably contemplated potential vendor complaints and how the NPCA would respond and manage these complaints;

- h) a description of how the NPCA will ensure it will comply with the principles of this Procurement Policy, particularly value for money;
- i) any alternative considered;
- j) the impact on the business requirements if the non-competitive procurement is not approved;
- k) if appropriate, a description of how the NPCA will meet these business requirements in the future using a competitive procurement process; and
- l) any other matters considered relevant.

Purchasing Documentation

The use and changes of standard bid documents and contracts shall be reviewed by the Procurement Specialist and approved by the Director of Corporate Services.

Reporting

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.

Policy Review Schedule

The Procurement Policy will be reviewed and updated every five years or sooner if conditions dictate. Any changes thereto will be at the discretion of the Board of Directors and approved by resolution.

Specific Procurement Categories

Emergency Purchases

When an event occurs that is determined by NPCA senior staff to be a threat to public health, public safety, maintenance of essential NPCA services, the welfare of persons or NPCA property, the protection of NPCA physical assets or the security of NPCA's interest or financial liabilities arising from unexpected conditions, and the occurrence requires the immediate delivery of goods and/or services and time does not permit the NPCA senior staff to follow normal purchasing activities to acquire such goods and/or services, staff may make such purchases without the bidding and tendering process, and is authorized to do so in the most expedient and economical means possible.

Where an emergency purchase has been made, the NPCA senior staff shall notify the Chief Administrative Officer/Secretary-Treasurer in writing within a maximum of ten (10) calendar working days of the event.

Sustainable & Ethical Procurement

If unable to source goods and services within Canada, and the NPCA needs to procure goods manufactured outside the boundaries of Canada, the vendor shall comply with all the laws of the jurisdiction in which the goods are manufactured, including those related to the export of the goods from the jurisdiction and their import into Canada.

The NPCA will ensure operating decisions are made with consideration to sustainability. This involves considering impacts on human health and the environment, and evaluating purchases based on a variety of criteria, ranging from the necessity of the purchase to the options available for its eventual disposal.

The NPCA commits to working with its partners to leverage its combined influence to minimize the environmental footprint within the watershed and globally. When all things are equal, the NPCA may favour vendors who demonstrate an environmental philosophy similar to the NPCA mandate. The NPCA staff will consider the incorporation of sustainable evaluation criteria in the RFX and assign an appropriate weighting.

Procurement Value Amendments

Procurement value increase may be caused by, but is not limited to, price increases, volume demand, expansion of scope, extension of the term, or other unforeseen circumstances.

If the procurement value increases for a given procurement, the NPCA must use the approval authority and procurement method applicable to the revised procurement value. (i.e. original procurement value + increase = revised procurement value). This may require the procurement to be approved by a person with a higher approval authority threshold than the original approver.

Approval for procurement value increases must be sought prior to proceeding with or continuing the procurement.

The NPCA may also describe the potential for a price decrease in a similar way (although this will not affect the procurement approval authority or method of procurement).

Conflict of Interest

A signing officer, employee, or representative of the NPCA shall not participate in any purchasing or contract execution where they are in a Conflict of Interest. A Conflict of Interest arises when personal interests interfere, appear to interfere, or could potentially interfere with the interests of NPCA. Employees must report any potential conflicts to the Procurement Specialist, who will manage the situation. Refer to the NPCA Code of Conduct for detailed guidelines.

Board members, signing officers, and employees shall not accept gifts, benefits, or favours from suppliers. The Procurement Specialist will not facilitate personal purchases using NPCA resources. Prices obtained from suppliers are for NPCA use only and must not be shared with non-NPCA personnel.

Proponents

At the time of bid submission, proponents shall be required to identify and declare any conflict of interest they may have, as defined in “definitions”, including any circumstance giving rise to or having the potential to give rise to an unfair advantage or the appearance of an unfair advantage. Proponents declaring a Conflict of Interest must provide a plan for managing the conflict of interest to the satisfaction of the procurement specialist.

As part of their bid submission, proponents must acknowledge that it is within the NPCA's sole and unfettered discretion to determine whether a conflict of interest exists and whether the conflict of interest can be managed satisfactorily. In the event the proponent's plan for managing the conflict of interest is not satisfactory to the Conservation Authority, the Conservation Authority may disqualify the proponent from the bid solicitation.

Evaluators

The NPCA must evaluate the bid responses received consistently and in accordance with the evaluation criteria, rating, and methodology set out in the RFx.

The NPCA must require individuals participating in the evaluation of bid responses to immediately declare any potential conflict of interest and immediately address any declarations. A Confidentiality and Conflict of Interest form will be provided by the Procurement Specialist prior to the release of any submission(s).

Revenue Generating Opportunities (RGOs)/Third Party Agreement(s)

RGOs must be subject to a competitive process that is fair, open, and transparent.

Co-Operative Purchases

NPCA is authorized to participate in cooperative purchasing arrangements with other municipalities, regions, local boards, public agencies, and buying groups as appropriate. The value of these collaborative purchases lies in the ability to leverage collective buying power, resulting in cost savings, improved procurement efficiency, reduced administration burden, and providing access to a broader range of products and services

Appendix A

Expenditures Exempt from Competitive Bid Requirements

The expenditures are listed below:

- a. Are not subject to the competitive bid requirements set out in Appendix B Table 1 (though services which are deemed Consulting shall be subject to the competitive bid requirements in Appendix B Table 2);
- b. Are subject to the purchasing approval requirements and methods set out in Appendix B, Table 3.

Although the items in this schedule are exempt from Appendix B, a competitive process should be followed if practical. If the nature of the service required is ongoing, a contract management review should be performed annually, and the decision to continue with the current source shall be reviewed.

1. Training & Education
 - a) Conferences, conventions, courses & seminars
 - b) Magazine subscriptions, books, periodicals
 - c) Memberships
2. Employee and Board Member Expenses
 - a) Travel costs associated with training & education (accommodation, car rental)
3. Employer's general expenses
 - a) Payroll deduction remittances
 - b) Debenture and/or mortgage and/or line of credit payments
 - c) Medical and dental expenses
 - d) Licenses (vehicles, permits)
 - e) Insurance premiums
 - f) Damage claims
 - g) Petty cash items and petty cash replenishment
 - h) Payments to regulatory agencies, including tax remittances
 - i) Employee benefits
 - j) Professional association fees and licenses
 - k) Bank charges
 - l) Municipal property taxes
 - m) Postage
 - n) Grants to organizations
4. Professional and Special Services
 - a) Authority per diems and honorariums
 - b) Appraiser fees
 - c) Land appraisal fees
 - d) Land survey fees
 - e) Legal settlement
 - f) Fees for investment management or other expert services

5. Utilities
 - a) Water and sewer, hydro, and natural gas
 - b) Utility relocations
6. Real Property
 - a) Lease or rent payments
7. Items purchased for resale
8. Specialized goods and services
 - a) Advertising (local newspaper(s) only)
 - b) Digital media platform(s)
 - c) Group Hospitality
 - d) Musical artist(s)

Appendix B

Competitive Bid Requirements

The determination of the type of competitive bid required for goods, non-consulting services, and construction purchases will be done in conjunction with the procurement specialist or delegate and in accordance with the requirements in the chart below:

Table 1: Goods, Non-Consulting Services, and Construction

| \$ Value | Type | Competitive Procurement Requirements |
|----------------------|---|---|
| <\$15,000 | Informal Quotation or Estimate | Non-Competitive |
| \$15,001 < \$50,000 | Informal Quotation (RFQ), Request for Proposal (RFP) or Public Tender (RFT) | A list of suppliers is invited to submit in writing a quotation/bid/submission for goods and/or services, or can be advertised on an electronic tender system. (minimum of 3 suppliers) or Open Competitive |
| \$50,000 < \$100,000 | Formal Request for Quotation (RFQ), Request for Proposal (RFP) or Public Tender (RFT) | A list of suppliers is invited to submit in writing a quotation/bid/submission for goods and/or services, or can be advertised on an electronic tender system. (minimum of 3 suppliers) or Open Competitive |
| =>\$100,001 | Formal Request for Quotation (RFQ), Proposal (RFP) or Public Tender (RFT) | Open Competitive |

*Costs for goods and/or services that require purchase orders (> \$15,000) may not be artificially partitioned into components costing less than \$15,000 to circumvent the competitive bidding requirement. Purchases for the same goods/services from the same unit and/or supplier within a short period may be considered an artificial division of the purchase.

Consulting Services

The determination of the type of competitive bid required for consulting services will be done in conjunction with the procurement specialist or delegate and in accordance with the requirements in the chart below:

Table 2: Competitive Bid Requirements for Consulting Services

| \$ Value | Type | Competitive Procurement Requirements |
|---------------|--|---|
| 0 < \$100,000 | Formal Request for Quotation (RFQ), Request for Proposal (RFP), or Public Tender (RFT) | A list of suppliers is invited to submit in writing a quotation/bid/submission for goods and/or services, or can be advertised on an electronic tender system. (minimum of 3 suppliers) or Open Competitive |
| =>\$100,001 | Formal Request for Quotation (RFQ), Proposal (RFP) or Public Tender (RFT) | Open Competitive |

NPCA Purchasing Authorization and Methods

Table 3: Goods, Non-Consulting, Consulting, Services & Construction

| Amount | Approver |
|---------------------------|-------------------------------------|
| 0 to \$15,000 | Manager |
| \$15,001 to \$100,000 | Manager + Director |
| >= \$100,001 to \$250,000 | Manager + Director + CAO |
| >\$250,001 | Director + CAO + Board of Directors |

Table 4: Board of Directors Approved Capital Projects and Land Acquisition/Dispositions

| Amount | Approver |
|------------------------|-------------------------------------|
| 0 to \$250,000 | Manager + Director |
| \$250,001 to \$500,000 | Manager + Director + CAO |
| >= \$500,001 | Director + CAO + Board of Directors |

*With Corporate Services Approval.

^Where an Executed Agreement is in place.

Consulting Services

Before starting, all consulting services must be reviewed by the procurement specialist, regardless of dollar value. The procurement specialist will help determine whether the service is consulting or non-consulting. "Consulting service" refers to the provision of expertise or strategic advice for consideration and decision-making.

Appendix C

Exception Form

No competitive bids were solicited for the accompanying Purchase Order # _____

By affixing my signature hereto, I attest that one or more of the following conditions apply to this procurement:

Please check appropriate condition(s):

- In an emergency, an "Emergency Purchase" is classified as a procurement, which is needed to "protect life and property, prevent the substantial economic loss, and/or prevent the interruption of essential services".
- The goods and/or services involve matters of a confidential or privileged nature, and the disclosure of those matters through a competitive procurement process could reasonably be expected to compromise NPCA's confidentiality, cause economic disruption, or otherwise be contrary to the public interest.
- The NPCA is involved in a cooperative or joint venture to purchase goods or services with other Conservation Authorities, institutions, and local or provincial organizations. Such purchases are to be made according to the procedures of that cooperative purchasing group, provided those procedures, if not identical, are consistent with the intent of this policy.
- Urgent legal circumstances necessitate an immediate reaction or assistance that requires professional legal services.
- Particular goods or services are available from only one or two suppliers. An authorized agent will keep on file documentation in support of waivers made on this basis.
- Compatibility with an existing product or service is the overriding consideration.
- The extension or reinstatement of an existing contract would be the most effective or beneficial method and in the best interest of the NPCA. Under no circumstances will a contract be extended beyond five years without a comprehensive review of performance/service quality and market alternatives.
- A need is established for the acquisition of goods and/or services for which only a specialized or proprietary requirement can be identified. In such cases, an authorized individual may choose the best overall value to the NPCA from one (1) or more invited proposals.

Other Comments: _____

Department Head Signature

Name (Please Print) Date

CAO/ Secretary-Treasurer

Name (Please Print) Date

Report To: Finance Committee

Subject: Delegation of Authority Policy - Amendment

Report No: FC-09-25

Date: April 16, 2025

Recommendation:

THAT Report No. FA-09-25 RE: Delegation of Authority Policy **BE RECEIVED;**

AND THAT the revised Delegation of Authority Policy, as appended, **BE ENDORSED;**

AND FURTHER THAT the revised Delegation of Authority Policy be brought forward **FOR FULL AUTHORITY APPROVAL** at the next scheduled meeting.

Purpose:

The purpose of this report is to provide the Finance Committee with a comprehensive overview of the proposed amendments to the Delegation of Authority Policy. This report outlines the rationale behind the amendments and details the specific changes being recommended.

Background:

NPCA delegates authority to facilitate effective administration and assign financial and administrative responsibility to satisfy legislative and managerial requirements for financial transparency, accountability and control. This includes delegating authority as close as possible to the point of service with due regard for efficiency as well as risk mitigation.

The first Delegation of Authority policy was approved by the NPCA Board of Directors on April 16, 2020.

Discussion:

Delegation of authority is the assignment of specific elements of the Board's authority, not restricted by statute to enable decisions to be made by those persons who are in the most appropriate position to assess financial, market, operational and reputational risk. Although the duties are delegated, the accountability for action and results remain with the delegating party. Responsibility can be delegated but accountability cannot.

The recommended amendments to the Delegation of Authority Policy are in alignment with NPCA's partners and modelled in keeping with organizations of similar size and scope.

Staff are recommending the following amendments to the current policy. Please see Appendix 1 for the revised Delegation of Authority Policy.

Changes to Procurement Threshold Limits:

The proposed amendments to the Delegation of Authority Policy include changes to the approval threshold limits to streamline processes and ensure effective internal controls are exercised. These recommended amendments that are in alignment with the related provisions in the proposed changes to the Procurement Policy, significantly reduce the administrative burden of transactional processing, and align with the growth of the organization and inflation since April 2020. The key changes are as follows:

Section A.1 – Goods and Services Approval Thresholds - Competitive Procurement:

- Commitment and spending limits have been increased as follows:
 - Manager: \$0 to \$15,000
 - Director: \$15,001 to \$100,000
 - CAO/Secretary-Treasurer: \$100,001 to \$250,000
 - NPCA Board of Directors: \$250,001 and over

Section A.1 – Goods & Services Approval Thresholds – Non-Competitive Procurement:

- Commitment and spending limits have been increased as follows:
 - CAO/Secretary-Treasurer: \$0 to \$50,000
 - NPCA Board of Directors: \$50,001 and over

Section A.2 – Board Approved Capital Projects Approval Thresholds - Competitive Procurement:

- Commitment and spending limits have been increased as follows:
 - Director, Corporate Services: \$0 to \$250,000
 - CAO/Secretary-Treasurer: \$250,001 to \$500,000
 - NPCA Board of Directors: \$500,001 and over

Section A.1 – Board Approved Capital Projects Approval Thresholds – Non-Competitive Procurement:

- Commitment and spending limits have been increased as follows:
 - CAO/Secretary-Treasurer: \$0 to \$50,000
 - NPCA Board of Directors: \$50,001 and over

Section E – Donation or Gift to NPCA Approval Thresholds:

- Acceptance limits have been increased as follows:
 - Director, Corporate Services: \$0 to \$50,000
 - CAO/Secretary-Treasurer: \$50,001 and over

Section H – Contractual Agreements (excluding procurement):

- Limits have been increased as follows:
 - Director, Corporate Services: \$0 to \$250,000
 - CAO/Secretary-Treasurer: \$250,001 and over

Financial Implications:

There are no financial implications in adopting the policy.

Related Reports and Appendices:

Appendix 1: Delegation of Authority Policy - Revised

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



| DELEGATION OF SIGNING AUTHORITY | | | |
|---------------------------------|--|-------------------|--------------------|
| Developed by: | Corporate Services | | |
| Policy Applies To: | All Employees/Board Members/Volunteers | | |
| Date Created: | 25-MAR-2020 | Approved By: | Board of Directors |
| Version #: 2 | 2025-04 | Last Review Date: | APR-2025 |

Policy

The purpose of the Delegation of Authority framework for the Niagara Peninsula Conservation Authority (NPCA) is to ensure that the controls to manage funds, assets and other areas of responsibility are adequate and effective. It is also to ensure that NPCA staff with delegated authority understand and are able to meet their obligations.

NPCA delegates authority to facilitate effective administration and assign financial and administrative responsibility to satisfy legislative and managerial requirements for financial transparency, accountability and control. This includes delegating authority as close as possible to the point of service with due regard for efficiency as well as risk mitigation.

Although the duties are delegated, the accountability for action and results remain with the delegating party. Responsibility can be delegated but accountability cannot. Everyone has an obligation to follow the delegation of authority. Individuals delegating authority are accountable for monitoring the performance of the delegation and taking appropriate action to correct or improve practices.

Definitions:

Delegation of Authority

Delegation of authority is the assignment of specific elements of the Board’s authority, not restricted by statute to enable decisions to be made by those persons who are in the most appropriate position to assess financial, market, operational and reputational risk.

Delegations relating to authorities can be categorized in terms of: Commitment/Spending, Payment and Functional authorities.

Commitment/Spending Authority

Commitment/Spending authority is the power to commit and authorize the purchase of goods and services, the approval for processing the payment of those goods and services, and approval for entering into a contract for those goods and services. This framework specifies the dollar value or limit of the authority assigned to the CAO/Secretary-Treasurer and authority retained by the Board.

Payment Authority

Payment authority is the delegated authority that allows NPCA staff to make the actual payments to vendors and suppliers.

Payment authority follows invoice/purchase order approval by a person with delegated spending authority. In this process, the approval to commit funds is separate from the approval to make the payment.

The Banking Resolution of NPCA defines the delegation of payment authority.

Revenue Authority

Revenue authority is the authority to set and adjust rates and fees

Functional Authority

Functional authority is the authority to execute a transactional process that usually does not have spending limits, but is responsibility based on function, i.e. employment and human resources matters.

Delegated Authority Levels

Delegated authority levels are provided by the NPCA Board to the CAO/Secretary-Treasurer.

The CAO/Secretary-Treasurer will establish delegated authority levels for levels below the CAO/Secretary-Treasurer. Determination of the level of delegation involves assessing the risk and balancing that with the need to delegate authority to the level and person best positioned to exercise judgment in the matter.

The CAO/Secretary-Treasurer will establish appropriate administrative processes and procedures to manage the delegated authorities.

Record of Delegated Authority

All NPCA employees that have been delegated authority must sign a “Temporary Delegation of Authority to Approve or Execute Documents” form stating that they have read the delegation of authority framework and understand the authorities delegated to them.

If an employee is acting in the absence of another employee, then the delegated authorities of the absent employee are transferred to the acting employee, and a “Temporary Delegation of Authority to Approve or Execute Documents” must be completed.

All original completed “Temporary Delegation of Authority to Approve or Execute Documents” forms must be forwarded to the Corporate Services Department for filing with a copy to Human Resources for the employee file.

Roles and Responsibilities

NPCA Board

Effectively delegates responsibilities to the CAO/Secretary-Treasurer identified through legislative or operational requirements.

Implements appropriate delegation of authority based on need in relation to business objectives, risk assessment and within the context of the delegation of authority framework.

CAO/Secretary-Treasurer

Ensures that the Delegation of Authority from the NPCA Board has been approved.

Determines further delegation of authority to others within NPCA.

Ensures that procedures and processes are in place to effectively administer the delegations including:

- An effective administration framework and management policies to support delegation of authority and ensures that NPCA operations and delegations are carried out within this framework.
- Maintains documentation related to the formal Delegation of Authority.
- Reviews and updates the Delegation of Authority framework as required.
- Delegations are incorporated in processes and procedures and that appropriate mechanisms exist to ensure that approvals are commensurate with the delegated authority.
- Provides advice and ongoing training on interpretation and application of the Delegation of Authority framework.

Ensures compliance with the by-laws, policies, procedures, directives and guidelines, including NPCA values and vision statements.

Associated Policies

This policy must be applied in conjunction with the Code of Conduct and the following associated policies:

- Procurement
- Rates and Fees
- Ethical Conduct
- Conflict of Interest
- Corporate Credit Card
- Employment

APPENDIX A

DELEGATION OF AUTHORITIES

- A. Procurement**
- B. Corporate Credit Card**
- C. Asset Disposal**
- D. Employment and Human Resources Matters**
- E. Donations**
- F. Rates and Fees**
- G. Approval to Issue Credit**
- H. Contractual Agreements**

The following tables describe the specific item delegated according to the above categories.

COMMITMENT/CONTRACTUAL

A. Procurement

The following thresholds identify levels of approval that must be secured prior to entering into a purchasing process such as Tenders, Proposals or Quotes. This Policy is in alignment with the related provisions in the Procurement Policy. Approval of the CAO/Secretary-Treasurer is required for all procurement commitments where the budget is exceeded by \$25,000 or greater.

**A.1 Goods and Services
 Approval Thresholds**

| Competitive Procurement | |
|--------------------------------|-------------------------|
| Commitment/Spending Limits | Delegation |
| \$250,001 AND OVER | NPCA Board of Directors |
| \$100,001 TO \$250,000 | CAO/Secretary-Treasurer |
| \$15,501 TO \$100,000 | Director |
| 0 TO \$15,000 | Manager |

| Non- Competitive Procurement | |
|-------------------------------------|-------------------------|
| Commitment/Spending Limits | Delegation |
| \$50,001 AND OVER | NPCA Board of Directors |
| UP TO \$50,000 | CAO/Secretary-Treasurer |

**A.2 Board Approved Capital Projects and Land Acquisitions/Dispositions
 Approval Thresholds**

| Competitive Procurement | |
|--------------------------------|------------------------------|
| Commitment/Spending Limits | Delegation |
| \$500,001 AND OVER | NPCA Board of Directors |
| \$250,001 TO \$500,000 | CAO/Secretary-Treasurer |
| \$0 TO \$250,000 | Director, Corporate Services |

| Non- Competitive Procurement | |
|-------------------------------------|-------------------------|
| Commitment/Spending Limits | Delegation |
| \$50,001 AND OVER | NPCA Board of Directors |
| UP TO \$50,000 | CAO/Secretary-Treasurer |

B. Authorize Corporate Credit Card Approval Thresholds

| Corporate Credit Cards | |
|--|-------------------------|
| Functional Authority | Delegation |
| Approve Corporate Card Set Transaction Monthly Limits | CAO/Secretary-Treasurer |

C. Asset Disposal Approval Thresholds

| Equipment and Vehicle Disposal | |
|---------------------------------------|------------------------------|
| Spending Limits | Delegation |
| ANY AMOUNT | Director, Corporate Services |

**D. Employment and Human Resources Matters
 Approval Thresholds**

| Employment and Human Resources Matters | |
|---|--|
| Function | Functional Authority Delegated To |
| Collective Agreement Memorandum of Settlement | CAO/Secretary-Treasurer |
| Final Approved Collective Agreement | NPCA Board of Directors |
| Employment Contracts <ul style="list-style-type: none"> • CAO/Secretary-Treasurer • All other contracts | NPCA Board of Directors *cannot be delegated CAO/Secretary-Treasurer |
| Recruiting, hiring and removing employees | CAO/Secretary-Treasurer |
| Establish classification and classification reviews | CAO/Secretary-Treasurer |
| Acting Assignments over 5% | CAO/Secretary-Treasurer |
| Merit increases for full time and significant contract staff | CAO/Secretary-Treasurer |
| Pension, Health Care Plans and Other Benefit Plans Administration | CAO/Secretary-Treasurer |
| Employee Assistance Program Agreement | CAO/Secretary-Treasurer |
| Execute other Human Resources Agreements | CAO/Secretary-Treasurer |

| Employment and Human Resources Matters | | |
|---|------------------------|-------------------------|
| Authority | Spending Limits | Delegation |
| Grievance and Labour Settlements | \$250,001 AND OVER | NPCA Board of Directors |
| Grievance and Labour Settlements | UP TO \$250,000 | CAO/Secretary-Treasurer |

**E. Donations or Gifts to NPCA
 Approval Thresholds**

| Donation or Gift to NPCA * | |
|-----------------------------------|------------------------------|
| Acceptance Limits | Delegation |
| \$50,001 AND OVER | CAO/Secretary-Treasurer |
| UP TO \$50,000 | Director, Corporate Services |

* Any donation or gift to NPCA must further the stewardship objectives of NPCA
 ** Authority to accept donations includes related authority to issue tax receipts

F. Rates and Fees

| Situation | Authority |
|--|-------------------------|
| Introduction of new fee, package or program at an existing venue | NPCA Board of Directors |
| Annual fee schedule | NPCA Board of Directors |
| Plan Review and Permit fee schedule | NPCA Board of Directors |

G. Approval to Issue Credit

| Approval to Issue Credit | |
|--|------------------------------|
| Limits | Delegation |
| Trade Receivables \$50,001 AND OVER | CAO/Secretary-Treasurer |
| Trade Receivables Up To \$50,000 | Director, Corporate Services |

H. Contractual Agreements (excluding procurement)

| Contractual Agreements | |
|------------------------|------------------------------|
| Limits | Delegation |
| \$250,001 AND OVER | CAO/Secretary-Treasurer |
| UP TO \$250,000 | Director, Corporate Services |

Temporary Delegation of Authority to Approve or Execute Documents

I hereby delegate my authority, as set out in the Delegation of Authority Policy, as follows:

Delegation of Authority to Approve ___ No ___ Yes _____ Dollar Threshold

Delegation of Authority to Execute ___ No ___ Yes _____ Dollar Threshold

Document Type: _____

Purpose and/or Limitations of Delegation:

Name of Delegator: _____

Position/Title of Delegator: _____

Declaration of Delegator: *In the delegation of my authority to approve and/or execute documents on behalf of NPCA, I accept the very responsibility that I would normally accept in authorizing such documents directly, myself.*

Signature of Delegator

Date

Name of Delegatee: _____

Position/Title of Delegatee: _____

Date Delegation of Authority to Commence: _____

Date Delegation of Authority to End: _____

Declaration of Delegatee: *I understand and hereby accept the authority delegated to me in approving and/or executing documents on behalf of NPCA, which I agree to undertake in accordance with established NPCA policies, procedures and governance processes as well as applicable federal, provincial and municipal laws. I understand that I am being delegated the power to approve and/or execute and that all obligations to obtain proper NPCA authority for the terms and conditions of any document are to be met prior to execution. I also undertake to provide the delegator an executed copy of any and all documents signed hereunder, forthwith after execution.*

Signature of Delegatee

Date

Report To: Finance Committee

Subject: 2024 Audited Financial Statements and Audit Findings Report

Report No: FC-03-25

Date: April 16, 2025

Recommendation:

THAT Report No. FC-03-25 RE: 2024 Audited Financial Statements **BE RECEIVED**;

AND THAT the 2024 Audited Financial Statements and the 2024 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 2024 Audited Financial Statements and the 2024 Audit Findings Report.

Discussion:

Please note the following results from the Audit Findings Report for the fiscal year ending December 31, 2024:

- 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 2024 Audited Financial Statements

Appendix 2: Draft 2024 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, 2024

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, 2024
- 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 statements of cash flows for the years 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, 2024, 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 , 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.



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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.



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- 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.

DRAFT

Hamilton, Canada

April 25, 2025

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Financial Position



As at December 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|--|----------------------|----------------------|
| Financial assets | | |
| Cash and cash equivalents | \$ 1,403,597 | \$ 3,348,225 |
| Investments | 3,642,384 | 4,636,276 |
| Accounts receivable | 1,000,653 | 744,574 |
| | 6,046,634 | 8,729,075 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 981,251 | 936,062 |
| Employee future benefits (note 2) | 159,800 | 186,300 |
| Deferred revenue (note 3) | 1,209,351 | 2,423,667 |
| Long-term financing (note 4) | 767,709 | - |
| | 3,118,111 | 3,546,029 |
| Net financial assets | 2,928,523 | 5,183,046 |
| Non-financial assets | | |
| Prepaid expenses | 258,167 | 210,152 |
| Tangible capital assets (note 5) | 33,473,993 | 27,941,777 |
| | 33,732,160 | 28,151,929 |
| Accumulated surplus (note 6) | \$ 36,660,683 | \$ 33,334,975 |

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, 2024, with comparative information for 2023

| | Budget (note 9) | 2024 Actual | 2023 Actual |
|--|---------------------|---------------------|---------------------|
| Revenues: | | | |
| Government transfers | | | |
| Province of Ontario | 540,660 | 688,861 | 623,554 |
| Government of Canada | 212,323 | 598,599 | 942,096 |
| Municipal levies: | | | |
| General | 7,040,886 | 7,040,886 | 6,947,104 |
| Special | 2,305,211 | 2,290,550 | 2,087,776 |
| Authority generated: | | | |
| User fees, sales and admissions | 3,322,447 | 3,394,767 | 3,046,338 |
| Administration fees | 754,800 | 886,992 | 785,211 |
| Interest | 82,000 | 248,743 | 219,922 |
| Other | 1,350,053 | 3,974,929 | 1,297,545 |
| OPG - Welland river watershed | – | 178,399 | 72,357 |
| | 15,608,380 | 19,302,726 | 16,021,903 |
| Expenses: | | | |
| CAO and Administration | 1,508,054 | 1,453,255 | 1,206,266 |
| Watershed | 5,259,895 | 5,384,717 | 4,374,494 |
| Corporate Services | 3,473,153 | 4,193,220 | 3,210,335 |
| Conservation Areas | 4,690,548 | 4,945,826 | 4,430,000 |
| | 14,931,650 | 15,977,018 | 13,221,095 |
| Annual surplus | 676,730 | 3,325,708 | 2,800,808 |
| Accumulated surplus, beginning of year | 33,334,975 | 33,334,975 | 30,534,167 |
| Accumulated surplus, end of year | \$34,011,705 | \$36,660,683 | \$33,334,975 |

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Change in Net Financial Assets



Year ended December 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|---|--------------|--------------|
| Annual surplus | \$ 3,325,708 | \$ 2,800,808 |
| Acquisition of tangible capital assets | (7,218,423) | (2,419,674) |
| Amortization of tangible capital assets | 1,628,481 | 1,336,281 |
| Proceeds on disposal of tangible capital assets | 84,346 | 85,693 |
| Gain on disposal of tangible capital assets | (26,620) | (26,379) |
| Increase in prepaid expenses | (48,015) | (10,662) |
| | (2,254,523) | 1,766,067 |
| Net financial assets, beginning of year | 5,183,046 | 3,416,979 |
| Net financial assets, end of year | \$ 2,928,523 | \$ 5,183,046 |

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Changes in Cash Flows



Year ended December 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|---|--------------|--------------|
| Cash provided by (used in): | | |
| Operations: | | |
| Annual surplus | \$ 3,325,708 | \$ 2,800,808 |
| Item not involving cash: | | |
| Amortization of tangible capital assets | 1,628,481 | 1,336,281 |
| Gain on disposal of tangible capital assets, net | (26,620) | (26,379) |
| Employee future benefits | (26,500) | 83,000 |
| Accrued interest on investments | (151) | 8,216 |
| Change in non-cash operating working capital: | | |
| Accounts receivable | (256,079) | (137,829) |
| Prepaid expenses | (48,015) | (10,662) |
| Accounts payable and accrued liabilities | 45,189 | 110,664 |
| Deferred revenue | (1,214,316) | 73,425 |
| | 3,427,697 | 4,237,524 |
| Capital activities: | | |
| Purchases of tangible capital assets | (7,218,423) | (2,419,674) |
| Proceeds from disposal of tangible capital assets | 84,346 | 85,693 |
| | (7,134,077) | (2,333,981) |
| Investing activities: | | |
| Proceeds from sale of investments | 4,636,427 | 4,544,293 |
| Purchases of investments | (3,642,384) | (4,636,276) |
| | 994,043 | (91,983) |
| Financing activities: | | |
| Proceeds from long-term financing | 829,131 | - |
| Repayment of long-term financing | (61,422) | - |
| | 767,709 | - |
| Net change in cash and cash equivalents | (1,944,628) | 1,811,560 |
| Cash and cash equivalents, beginning of year | 3,348,225 | 1,536,665 |
| Cash and cash equivalents, end of year | \$ 1,403,597 | \$ 3,348,225 |

See accompanying notes to financial statements

Year ended December 31, 2024

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, 2024

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 |
| Office equipment | 5 years |

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

(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.

Year ended December 31, 2024

1. Significant accounting policies (continued):

(g) Revenue recognition (continued):

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.

(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.

Year ended December 31, 2024

(k) Adoption of new accounting standards:

On January 1, 2024, the Authority adopted Public Accounting Standard PS 3400 – Revenue. This standard was adopted prospectively from the date of adoption. This new standard provides requirements for the recognition, measurement, presentation, and disclosure of revenue transactions.

The implementation of this standard did not require the Authority to reflect any adjustments in the financial statements.

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, 2024 was estimated by management to be \$159,800 (2023 - \$186,300). Information about the Authority’s benefit plan is as follows:

| | 2024 | 2023 |
|---|-----------|------------|
| Accrued benefit obligation: | | |
| Balance, beginning of year | \$186,300 | \$ 103,300 |
| Current benefit (recovery) cost | (15,236) | 89,700 |
| Benefits paid | (11,264) | (6,700) |
| Accrued benefit obligation, end of year | \$159,800 | \$ 186,300 |

3. Deferred revenue:

Deferred revenues consist of the following:

| | Balance at December 31, 2023 | Externally restricted inflows | Revenue earned | Balance at December 31, 2024 |
|--|------------------------------------|-------------------------------------|-----------------------|------------------------------------|
| User fees | \$ 372,986 | \$215,940 | \$ (308,595) | \$280,331 |
| District School Board of Niagara | 1,000,000 | – | (910,501) | 89,499 |
| Government grants | 346,603 | 120,469 | (153,230) | 313,842 |
| Welland river watershed- Ontario Power Generation (“OPG”) | 704,078 | – | (178,399) | 525,679 |
| Total | \$ 2,423,667 | \$336,409 | \$ (1,550,725) | \$ 1,209,351 |

Year ended December 31, 2024

4. Long-term financing:

Unsecured variable rate 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: 2025 - \$122,844; 2026 - \$122,844; 2027 - \$122,844; 2028 - \$122,844; 2029 - \$122,844, \$153,489 thereafter.

5. Tangible capital assets:

| Cost | Balance at December 31, 2023 | Additions | Transfers/ Disposals | Balance at December 31, 2024 |
|------------------------|------------------------------------|---------------------|-------------------------|------------------------------------|
| Land | \$10,831,810 | \$3,452,572 | \$ - | \$14,284,382 |
| Land improvements | 8,075,810 | 2,054,439 | - | 10,130,249 |
| Buildings | 7,106,443 | 211,254 | - | 7,317,697 |
| Dams | 5,273,518 | - | - | 5,273,518 |
| Gauge stations | 403,351 | 65,831 | - | 469,182 |
| Leasehold Improvements | - | 836,891 | - | 836,891 |
| Equipment | 4,944,431 | 896,017 | (153,938) | 5,686,510 |
| Vehicles | 48,757 | - | - | 48,757 |
| Office equipment | 1,221,836 | 215,576 | - | 1,437,412 |
| Work-in-progress | 1,710,751 | 7,218,423 | (7,732,580) | 1,196,594 |
| Total | \$39,616,707 | \$14,951,003 | \$ (7,886,518) | \$46,681,192 |

| Accumulated Amortization | Balance at December 31, 2023 | Additions | Transfers/ Disposals | Balance at December 31, 2024 |
|-----------------------------|------------------------------------|--------------------|-------------------------|------------------------------------|
| Land | \$ - | \$ - | \$ - | \$ - |
| Land improvements | 3,390,274 | 498,601 | - | 3,888,875 |
| Buildings | 3,077,610 | 239,116 | - | 3,316,726 |
| Dams | 2,067,690 | 69,223 | - | 2,136,913 |
| Gauge stations | 302,199 | 25,074 | - | 327,273 |
| Leasehold Improvements | - | 83,689 | - | 83,689 |
| Equipment | 1,889,440 | 540,054 | (96,212) | 2,333,282 |
| Vehicles | 48,757 | - | - | 48,757 |
| Office equipment | 898,960 | 172,724 | - | 1,071,684 |
| Total | \$11,674,930 | \$1,628,481 | \$ (96,212) | \$13,207,199 |

Year ended December 31, 2024

5. Tangible capital assets (continued):

| | Net Book Value December 31, 2023 | Net Book Value December 31, 2024 |
|------------------------|-------------------------------------|-------------------------------------|
| Land | \$10,831,810 | \$ 14,284,382 |
| Land improvements | 4,685,536 | 6,241,374 |
| Buildings | 4,028,833 | 4,000,971 |
| Dams | 3,205,828 | 3,136,605 |
| Gauge stations | 101,152 | 141,909 |
| Leasehold Improvements | - | 753,202 |
| Equipment | 3,054,991 | 3,353,228 |
| Vehicles | - | - |
| Office equipment | 322,876 | 365,728 |
| Work-in-progress | 1,710,751 | 1,196,594 |
| Total | \$27,941,777 | \$33,473,993 |

Work-in-process, having a value of \$1,196,594 (2023 - \$1,710,751) 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 (2023 - \$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 2023.

During the year, the Authority disposed of assets in the normal course of operations, recognizing a gain on disposal of \$26,620 (2023 - \$26,379).

6. Accumulated surplus:

Accumulated surplus consists of the following:

| | 2024 | 2023 |
|---|----------------------|----------------------|
| Invested in tangible capital assets | \$ 33,473,993 | \$ 27,941,777 |
| Reserves set aside by the Board of the Authority for specific purpose | 3,346,490 | 5,579,498 |
| Unfunded employee future benefits liability | (159,800) | (186,300) |
| | \$ 36,660,683 | \$ 33,334,975 |

Year ended December 31, 2024

6. Accumulated surplus (continued):

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

| | 2024 | 2023 |
|-------------------|--------------------|---------------------|
| General capital | \$ 708,890 | \$ 1,257,909 |
| Operating reserve | 528,273 | 1,552,830 |
| Flood protection | 270,380 | 261,141 |
| Levy differential | – | 33,367 |
| Land acquisitions | 1,514,402 | 2,159,360 |
| Restoration | 324,545 | 314,891 |
| | \$3,346,490 | \$ 5,579,498 |

7. Credit facility:

The Authority’s credit facility includes an overdraft lending account of \$765,000 bearing interest at prime less 2%. As at December 31, 2024, \$nil (2023 - \$nil) was drawn on this facility. As at December 31, 2024, \$11,667 (2023 - \$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.

8. Pension plan:

The Authority makes contributions to the Ontario Municipal Employees Retirement System (“OMERS”), which is a multi-employer plan, on behalf of the 87 (2023 – 83) 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 \$2.9 billion (2023 - \$4.2 billion) based on the fair market value of the Plan’s assets, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2024 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 2024 current and past service was \$706,869 (2023 - \$554,138) and were matched by employee contributions.

Year ended December 31, 2024

9. Budget data:

The budget data presented in these financial statements is based upon the 2024 operating budget approved by the Board of the Authority on October 20, 2023, and capital budget approved October 20, 2023. 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 | \$ 13,303,169 |
| Capital | |
| Approved budget | 2,305,211 |
| Total revenues | \$ 15,608,380 |
| Expenses: | |
| Operating | |
| Approved budget | \$ 13,303,169 |
| Capital | |
| Approved budget | 2,305,211 |
| Add: | |
| Amortization | 1,628,481 |
| Less: | |
| Tangible capital assets included in operating expense | (2,305,211) |
| Total expenses | 14,931,650 |
| Annual surplus | \$ 676,730 |

10. 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.

Year ended December 31, 2024

11. 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.

12. Related party transactions:

During the year, the Authority incurred \$26,406 (2023 - \$20,255) 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.

13. 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 \$355,125 in future revenues based on anticipated services to be performed.

14. Contractual obligations and commitments:

- i) The Authority has entered into a contract for provision of reservation and park system services until December 2025, with an annual financial requirement of \$30,000. This will be financed by the Authority's operating budget.
- 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 \$2,169,146, annual minimum lease payments are as follows: 2025 - \$226,740; 2026 - \$226,740; 2027 - \$233,038; 2028 - \$234,298; 2029 - \$234,298, \$1,014,032 thereafter.

Year ended December 31, 2024

15. 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, 2024

15. Segmented information (continued):

| 2024 | | | | | |
|-------------------------------------|--------------------------|---------------------|---------------------|--------------------|---------------------|
| | Corporate Administration | Watershed | Corporate Services | Conservation Areas | 2024 Total |
| 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 |

| 2023 | | | | | |
|-------------------------------------|--------------------------|--------------------|--------------------|--------------------|---------------------|
| | Corporate Administration | Watershed | Corporate Services | Conservation Areas | 2023 Total |
| Revenues: | | | | | |
| Government transfers | 29,489 | 574,808 | 203,226 | 758,127 | 1,565,650 |
| Municipal levies | 1,361,703 | 3,091,833 | 3,030,187 | 1,551,157 | 9,034,880 |
| User fees, sales and administration | - | - | - | 3,046,338 | 3,046,338 |
| Administration fees | - | 785,211 | - | - | 785,211 |
| Interest | - | - | 219,922 | - | 219,922 |
| Other | 10,755 | 599,019 | 544,744 | 77,110 | 1,231,628 |
| Gain on disposal | - | - | 26,379 | - | 26,379 |
| Gain on insurance proceeds | - | - | 39,538 | - | 39,538 |
| OPG-Welland River Watershed | - | 72,357 | - | - | 72,357 |
| Total revenues | \$1,401,947 | \$5,123,228 | \$4,063,996 | \$5,432,732 | \$16,021,903 |
| Expenses: | | | | | |
| Salaries and benefits | 919,908 | 3,472,935 | 1,156,562 | 2,551,420 | 8,100,825 |
| Materials and supplies | 42,121 | 326,773 | 480,698 | 960,925 | 1,810,517 |
| Contracted services | - | 245,553 | 27,620 | - | 273,173 |
| Professional fees | 87,088 | 270,275 | 90,107 | - | 447,470 |
| Rent and financial expenses | - | - | 616,398 | - | 616,398 |
| Marketing and promotion | 56,565 | 14,747 | 565,119 | - | 636,431 |
| Amortization | 100,584 | 44,211 | 273,831 | 917,655 | 1,336,281 |
| Total expenses | 1,206,266 | 4,374,494 | 3,210,335 | 4,430,000 | 13,221,095 |
| Annual surplus | \$ 195,681 | \$ 748,734 | \$ 853,661 | \$1,002,732 | \$ 2,800,808 |

16. Comparative Figures:

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

DRAFT



Niagara Peninsula Conservation Authority

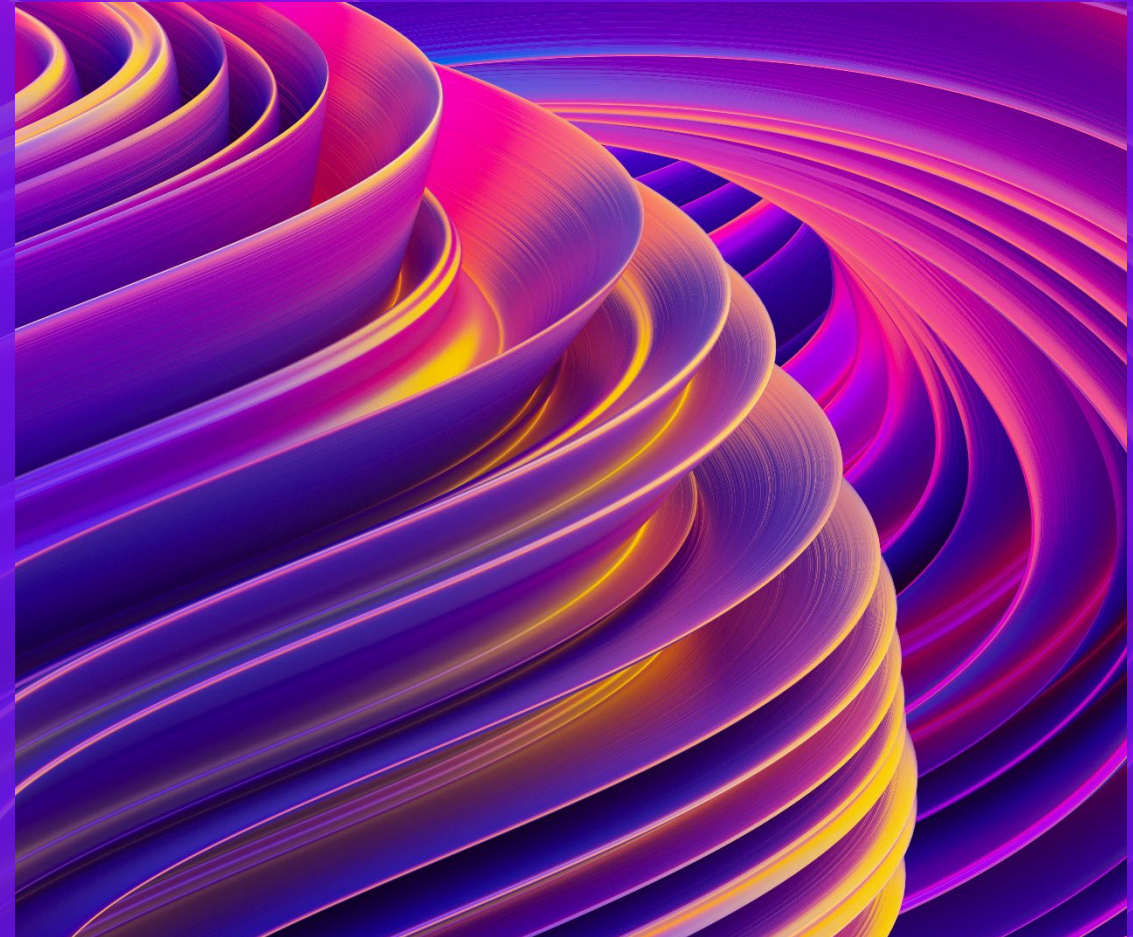
**Audit Findings Report
for the year ended December 31, 2024**



Licensed Public Accountants

Prepared as of April 7, 2025 for presentation to the Audit Committee
on April 16, 2025

kpmg.ca/audit



KPMG contacts

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Table of contents

Digital use information

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| 20 | Audit quality | 21 | Independence | 22 | Appendices | | |

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.




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. 

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](#) 

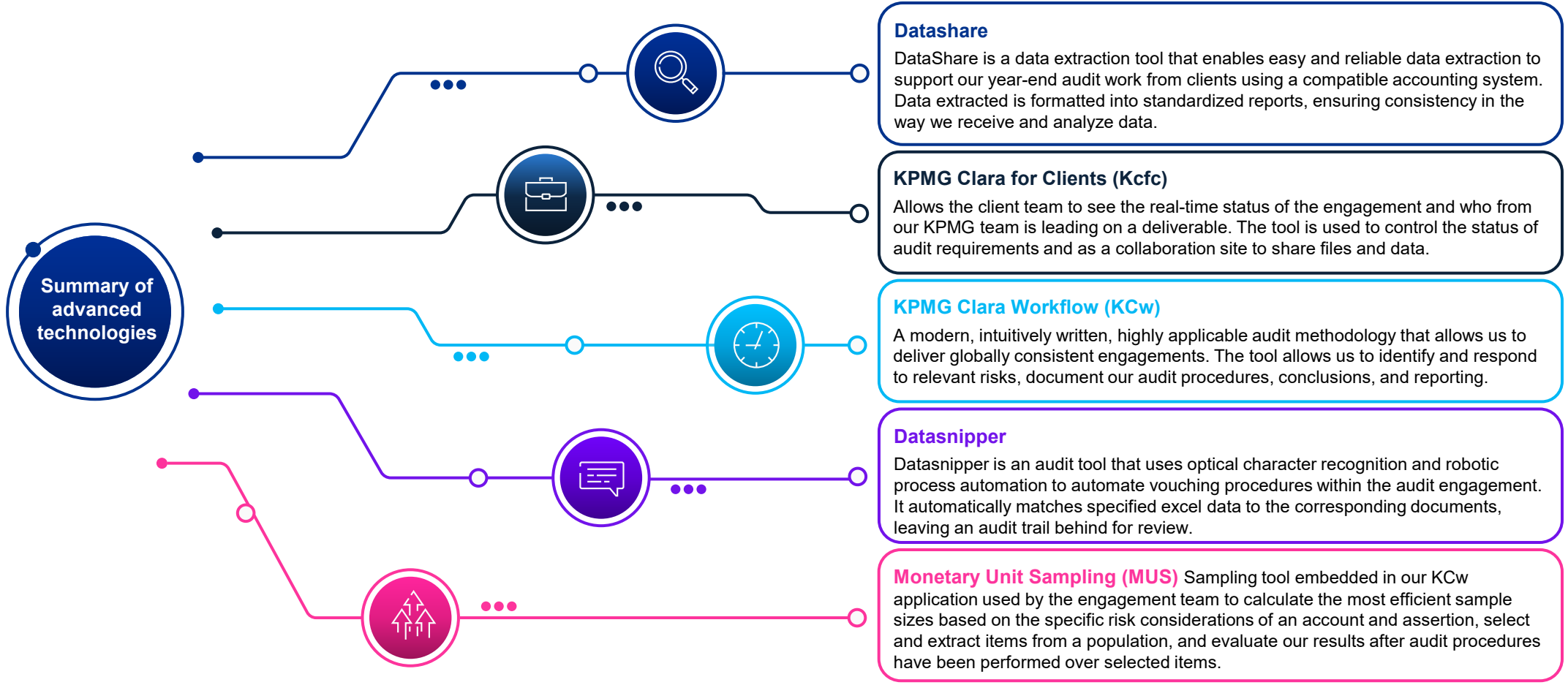


The purpose of this report is to assist you, as a member of the Audit Committee, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, the Audit Committee, and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Technology highlights

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



KPMG’s software audit tools are intended to be used as internal enablement tools in conjunction with the performance of audit services. Information resulting from use of software audit tools may not be used as a basis for management’s conclusions as to the fairness of presentation of its financial statements or form a part of the internal control.



Status

As of April 7, 2025, 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)



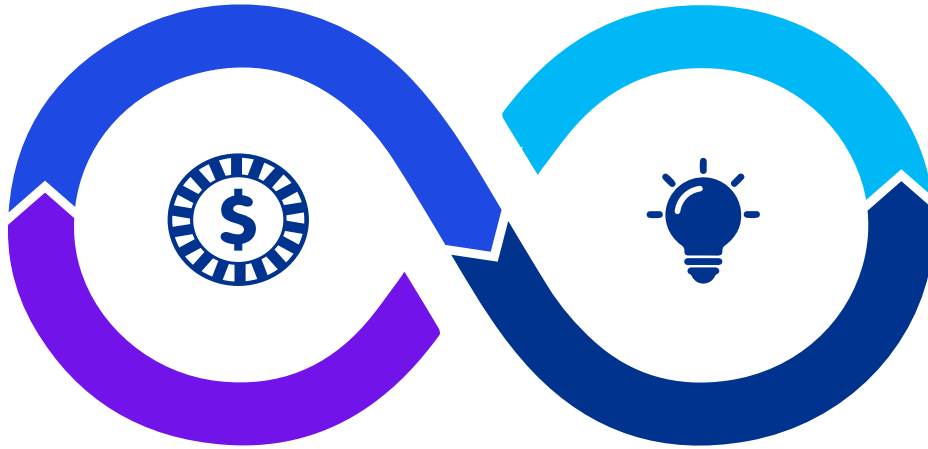
Real-time collaboration and transparency
 We leveraged **KcC** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

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

 [Learn more](#)



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.

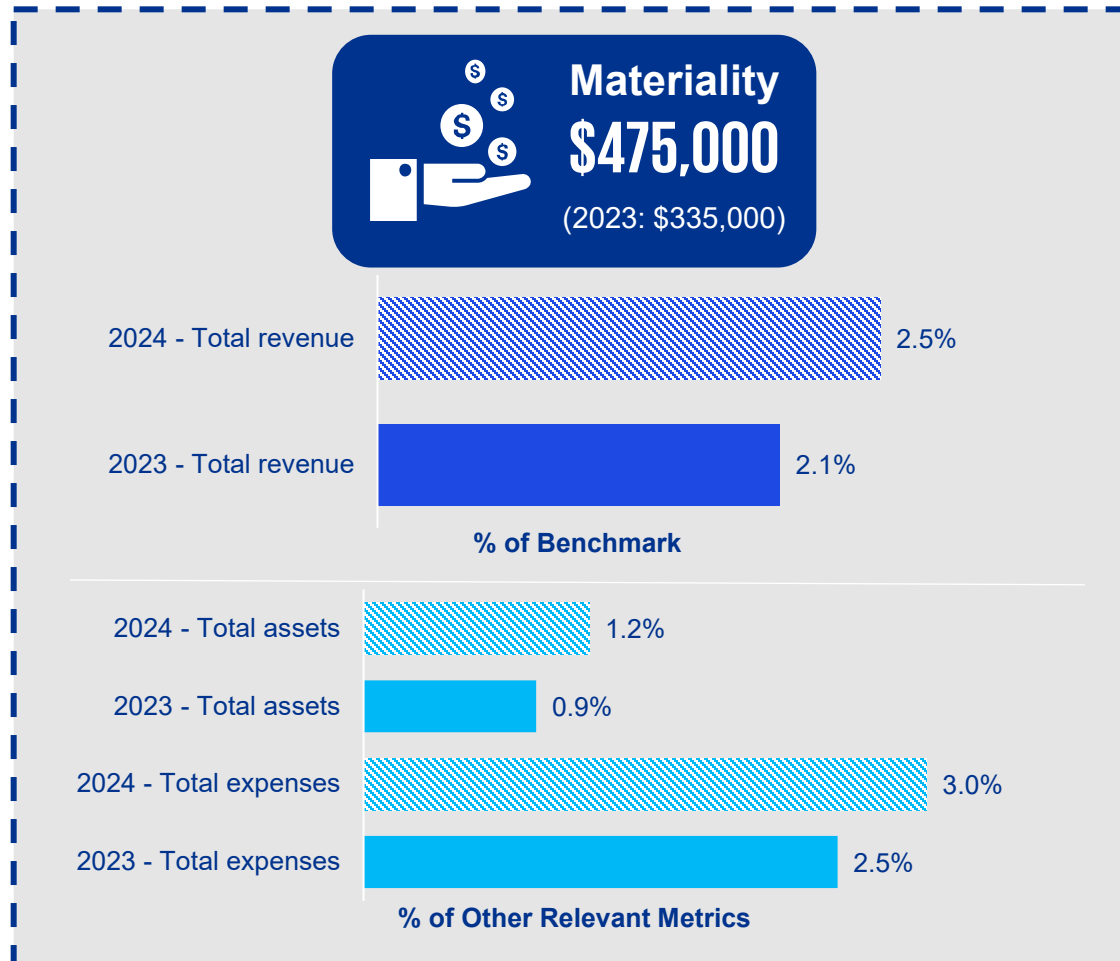
We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

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
\$19,302,726
 (2023: \$16,021,903)

Total Assets
\$39,778,794
 (2023: \$36,881,004)

Total Expenses
\$15,977,018
 (2023: \$13,221,095)



Significant risks and results

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



Management Override of Controls

RISK OF
 FRAUD

| Significant risk | Estimate? |
|--|-----------|
| <p>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.</p> | <p>No</p> |

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? |
|-------------------------------------|-----------|
|-------------------------------------|-----------|

| | |
|--|----|
| Grant revenue and deferred contributions - Risk of error over completeness, existence and accuracy of grant 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 evaluated the impact of the application of PSAS 3400 Revenue on the financial statements. The adoption of the new standard did not have an impact 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**.

 **Tangible Capital Assets**

| 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

- 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 | Interest | Ending reserve balance |
|-------------------|-------------------------|---------------------------|-------------------------|----------|------------------------|
| Capital reserve | 3,711,778 | 656,927 | (1,992,385) | 117,353 | 2,493,672 |
| Operating reserve | 1,867,721 | 985,238 | (2,034,485) | 34,345 | 852,819 |

| Invested in tangible capital assets | | Acquisitions funding | |
|-------------------------------------|-------------|-------------------------|-----------|
| Opening balance | 27,941,777 | From capital reserves | 1,992,385 |
| Acquisitions | 7,218,423 | From operating reserves | - |
| Amortization | (1,628,481) | From operations | 5,226,038 |
| Net disposal | (57,726) | Total acquisitions | 7,218,423 |
| Ending balance | 33,473,993 | | |



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

The following new accounting policies and practices were selected and applied during the period.

- PS 3400 Revenue
- PS 3160 Public private partnerships
- PS Guideline 8 – Purchased intangibles



Description of new or revised significant accounting policies and practices

There were no changes to accounting policies and practices during the year, other than the above new accounting standards.




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**



Appropriate disclosures have been made regarding the implementation of PSAS 3400 Revenue.

 **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. |



Audit quality - How do we deliver audit quality?

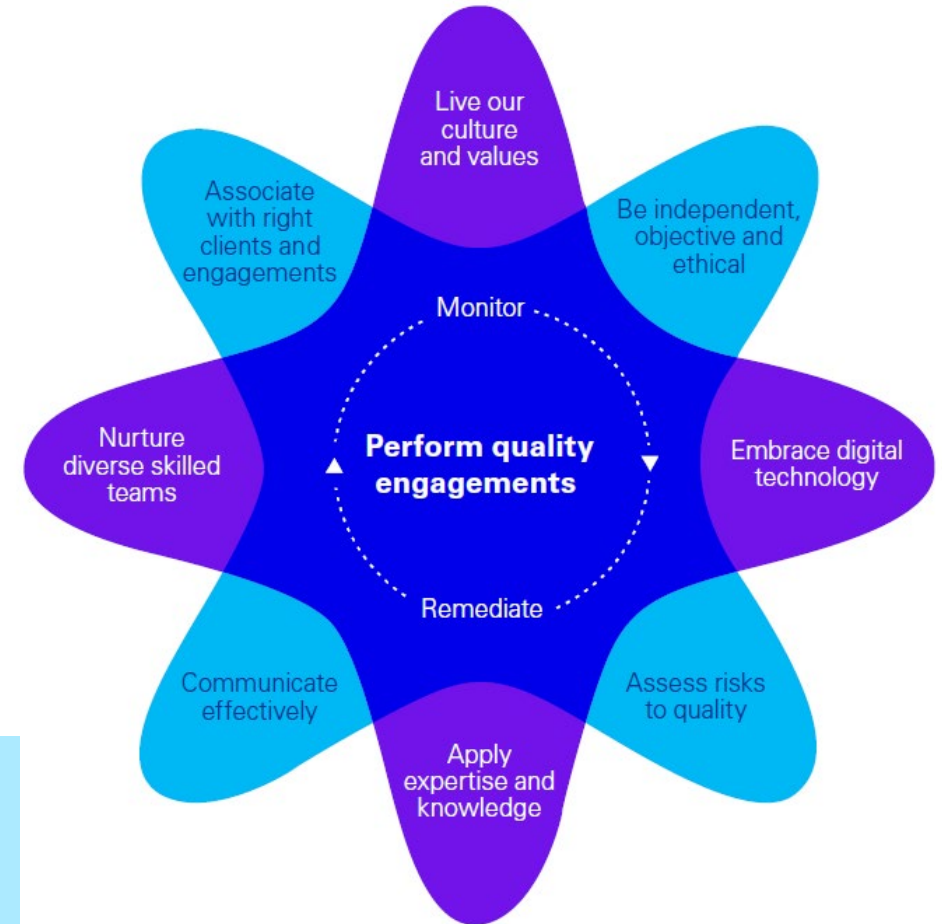
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet 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. Learn more about our system of quality management and our firm’s statement on the effectiveness of our SoQM:

 [KPMG Canada Transparency Report](#)

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**.



Doing the right thing. Always.

Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code¹ and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



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 independent** of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.

¹ International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)



Appendices

A Required communications

B Management Rep Letter


C New auditing standards

D New accounting standards

E Insights



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 Regulatory Oversight Report: 2023 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2024 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2024 Annual Inspections Results](#)

Appendix B: Management representation letter(s)



Appendix C: Newly effective and upcoming changes to auditing standards

Effective for periods beginning on or after December 15, 2023

ISA 600/CAS 600

 Revised special considerations – Audits of group financial statements

Effective for periods beginning on or after December 15, 2024

ISA 260/CAS 260

 Communications with those charged with governance

ISA 700/CAS 700

 Forming an opinion and reporting on the financial statements

Appendix D: New 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 E: 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.

Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

IFRS Breaking News

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

Current Developments

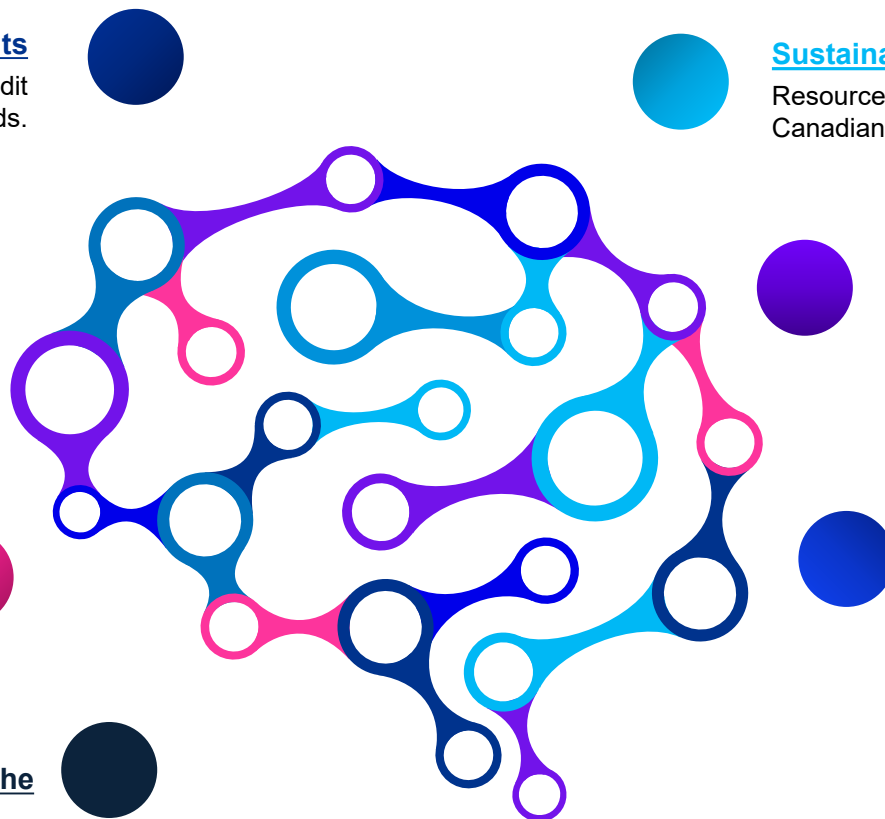
Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

Audit Committee Guide – Canadian Edition

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

Accelerate - The key issues driving the audit committee agenda

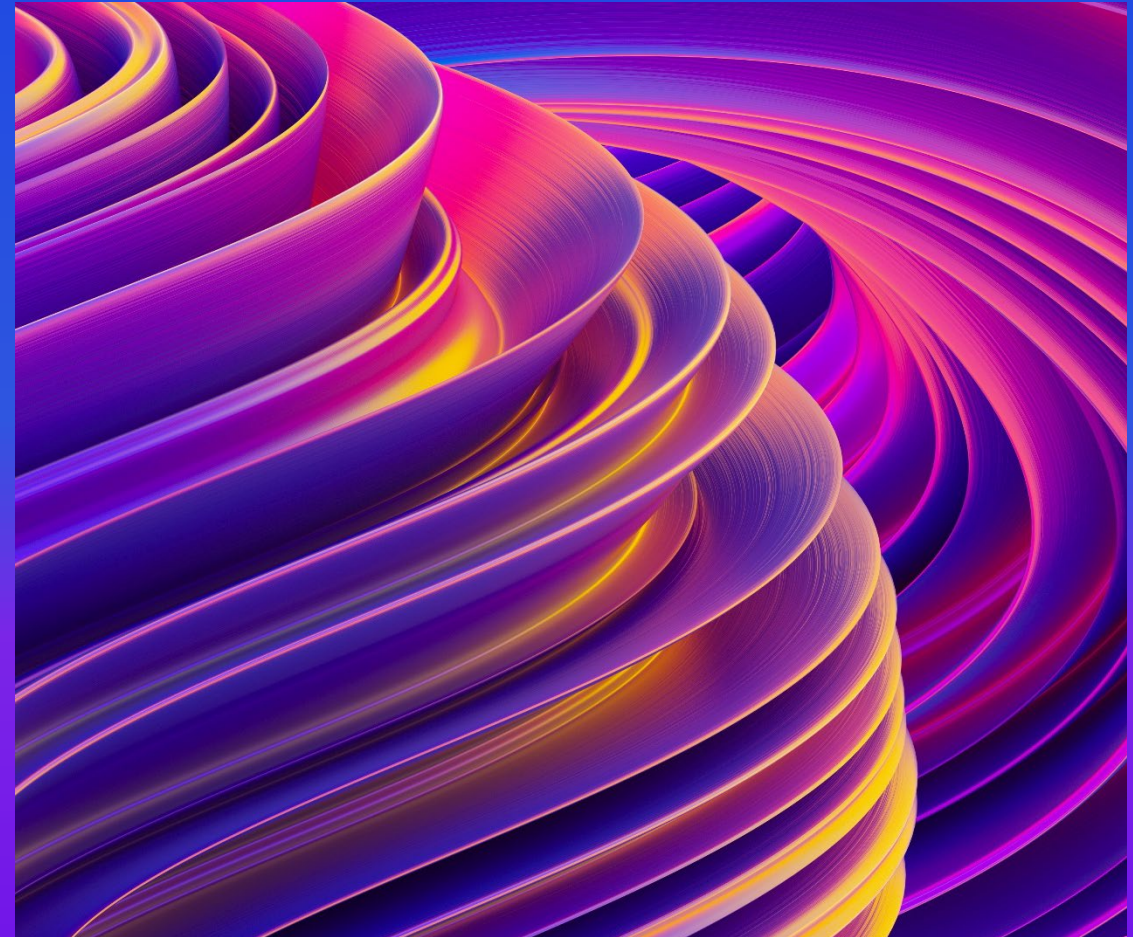
Discover the most pressing risks and opportunities that face audit committees, boards and management teams.





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

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Report To: Finance Committee

Subject: Financial Report – Q4 – 2024

Report No: FC-02-25

Date: April 16, 2025

Recommendation:

THAT Report No. FA-02-25 RE: Financial Report – Q4 – 2024 **BE RECEIVED.**

Purpose:

The purpose of this report is to provide the Finance Committee with a final 2024 year-end summary of operating and capital expenditures. This report also provides a comparison of actual results to the 2024 budget as approved by the Board. Additionally, this report provides information on the 2025 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 2025 fiscal year with respect to the General Operating and General Capital Reserves, to be presented to the Board for final approval on April 25, 2025.

General Operating Reserve

Appendix 1 provides a final summary and variance analysis of operating performance for the 2024 fiscal year and returns a negative net operating position of \$675,949.

Further to 2023 confidential report FA-50-23 related to the Compensation Review project, the net surplus position from 2023 was utilized to meet the financial requirements of this initiative, in keeping with the Board directive during an in-camera session. As such, the negative 2024 net position is funded from the General Operating Reserve.

General Operating Reserve balance as at December 31, 2024 \$528,274

General Capital Reserve

Total General Capital Reserve balance as at December 31, 2024: \$708,890

This balance has been allocated to ongoing multi-year initiatives, further details on 2024 capital projects are provided in Appendix 2.

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: 2024 Operating Statement – Q4

Appendix 2: Capital Projects 2024 – Q4

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

Niagara Peninsula Conservation Authority
2024 CONSOLIDATED OPERATING STATEMENT - Q4 - January 1 to December 31, 2024

| Source of Funds | 2024 Actuals | 2024 Budget | Actual to Budget Variance | | Comments |
|--|-------------------|-------------------|---------------------------|--------------|---|
| | | | Amount | % | |
| Municipal Funding | 7,130,853 | 7,040,886 | 89,967 | 1.3% | Reclass of special levy in support of operating activities |
| Provincial Funding | 638,861 | 540,660 | 98,201 | 18.2% | Increased funding for RAP, DWSP and Festival grant |
| Federal Funding | 482,948 | 212,323 | 270,625 | 127.5% | NRCan - 2 Billion Trees, Trees for All, Climate Resilient Coastal Communities Program |
| Park Operations | 3,394,768 | 3,322,447 | 72,321 | 2.2% | Educational programming and filming |
| Permits and Regulatory Fees | 886,992 | 754,800 | 132,192 | 17.5% | Higher planning and permitting volume |
| Other Revenue | 1,138,178 | 1,432,053 | -293,875 | -20.5% | Reserve transfers |
| Total Revenues/Source of Funds | 13,672,600 | 13,303,169 | 369,431 | 2.78% | |
| Use of Funds | | | | | |
| Salaries and Benefits | 9,546,830 | 8,647,871 | -898,959 | -10.4% | Compensation review (\$545K), incremental fully funded staff |
| Other Employee Related Expenses | 256,081 | 325,032 | 68,951 | 21.2% | Staff mileage, training and uniforms, offset by higher recruitment expenses |
| Governance | 26,407 | 41,000 | 14,593 | 35.6% | Reduced mileage and expenses - hybrid meetings |
| Professional Fees & Contractor Services | 931,125 | 1,043,691 | 112,566 | 10.8% | Consulting, Land Planning |
| Occupancy Costs | 923,513 | 795,892 | -127,621 | -16.0% | Relocation of head office, (partially) offset by corresponding revenues |
| IT, GIS and Licence Fees | 561,301 | 455,112 | -106,189 | -23.3% | IT managed serv agrmnt, improved internet + new programs (licence fees) |
| Vehicles and Equipment | 408,017 | 416,640 | 8,623 | 2.1% | Variance is not material |
| Park Maintenance | 654,506 | 654,143 | -363 | -0.1% | Variance is not material |
| Other Operating Expenses | 372,589 | 336,379 | -36,210 | -10.8% | Interest expense - leasehold improvements (offset by special levy revenue) |
| Materials and Supplies | 313,139 | 284,469 | -28,670 | -10.1% | Directly related to increase in fully funded activity |
| Marketing and Promotion, Special Events | 355,041 | 302,940 | -52,101 | -17.2% | Thanksgiving festival 50th anniversary celebration |
| Total Expenses/Use of Funds | 14,348,549 | 13,303,169 | -1,045,380 | -7.9% | |
| Net Surplus/Deficit as at December 31, 2024 | -675,949 | - | -675,949 | | |

| Project Name | Location | Funding 2024 | Budget Carried Forward | YTD Spend at 31-DEC-2023 | YTD Spend at Q4 31-DEC-2024 | Total Project Spend |
|--|----------------|---------------------|------------------------|--------------------------|-----------------------------|---------------------|
| Corporate Administration | | | | | | |
| Human Resources Information System | Various | | 27,013 | 2,013 | - | 2,013 |
| TOTAL - Corporate Administration | | \$ - | \$ 27,013 | \$ 2,013 | \$ - | \$ 2,013 |
| Corporate Services | | | | | | |
| Annual PC replacements and Acquisition | Various | 89,397 | - | - | 71,293 | 71,293 |
| Information Technology Infrastructure Maintenance | Various | 31,552 | - | - | 69,072 | 69,072 |
| Balls Falls - Internet Upgrades | Balls Falls | - | - | - | 51,953 | 51,953 |
| Leasehold Improvements | Various | 157,760 | - | - | 836,891 | 836,891 |
| Furniture & Equipment - Merrittville, Thorold | Various | - | - | - | 295,857 | 295,857 |
| Records Management | Various | - | 42,013 | 19,049 | 87 | 18,962 |
| Orthoimagery | Various | - | - | - | 10,176 | 10,176 |
| Sustainment - Stream Gauge Equipment | Niagara | 26,293 | 21,610 | 18,410 | 65,831 | 84,241 |
| TOTAL - Corporate Services | | \$ 305,002 | \$ 63,623 | \$ 37,459 | \$ 1,400,986 | \$ 1,438,445 |
| Conservation Area Services | | | | | | |
| Balls Falls - Centre for Conservation Upgrades | Balls Falls | 105,173 | 66,747 | 35,080 | 124,074 | 159,154 |
| Balls Falls - Wedding Upgrades | Balls Falls | 78,880 | - | - | 75,997 | 75,997 |
| Balls Falls - Historical Restoration | Balls Falls | - | 36,038 | 32,104 | 3,053 | 35,157 |
| Binbrook - New Washroom Building (Phase 1&2) | Binbrook | 315,520 | 64,831 | 23,967 | 43,149 | 67,116 |
| Long Beach - Workshop (Phase 1&2) | Long Beach | 315,520 | 135,064 | 32,921 | 22,342 | 55,263 |
| Rockway/Cave Springs - Interpretive and Wayfinding Signage | Various | 105,173 | - | - | 5,174 | 5,174 |
| Rockway/St. John's/Chippawa/Long Beach - Automated Gates | Various | 210,346 | - | - | 189,291 | 189,291 |
| St. John's Education Centre Structural Rest. - Phase 2 | Various | 105,173 | - | - | 100,100 | 100,100 |
| Equipment Sustainment | Various | 184,053 | - | - | 283,259 | 283,259 |
| Hazard Tree Removal and Reforestation | Various | 52,587 | - | - | 49,958 | 49,958 |
| Total - Conservation Area Services | | \$ 1,472,425 | \$ 302,680 | \$ 124,072 | \$ 896,397 | \$ 1,020,469 |
| Watershed | | | | | | |
| Shoreline Hazard Mapping Update - Lake Ontario - Phase 1 | Various | 159,678 | - | - | 12,606 | 12,606 |
| Shoreline Mapping Update - Lake Erie | | - | 157,753 | 7,753 | - | 7,753 |
| Floodplain Mapping - Oswego Creek | Haldimand | - | 181,804 | 55,950 | 140,808 | 196,758 |
| Floodplain Mapping - Coyle & Drapers Creek | Welland/Pelham | - | 120,944 | 179,512 | 41,570 | 137,942 |
| Floodplain Mapping - Upper Welland River Tributaries | Niagara | - | 108,051 | 8,051 | - | 8,051 |
| Watershed & Sub watershed Data Analysis/Monitoring | Niagara | - | 81,038 | - | - | - |
| Binbrook Dam - Geotechnical Analysis | Binbrook | - | 60,000 | 22,023 | 22,875 | 44,898 |
| Karst Void Mapping | Various | 31,552 | - | 5,103 | 1,550 | 6,653 |
| Welland River Non-Point Source Model | Various | 94,656 | 64,831 | 4,831 | 54,655 | 59,486 |
| Integrated Water Resources Spatial Drainage Framework - Phase 2 | Various | 78,880 | - | - | 81,161 | 81,161 |
| Integrated Watershed Monitoring Program Startup | Various | - | 27,013 | - | 18,134 | 18,134 |
| Twelve Mile Creek Restoration Project | | - | - | - | 232,855 | 232,855 |
| Sustainment - Water Quality Monitoring Equipment | Various | 26,293 | 27,013 | 24,501 | - | 24,501 |
| Invasive Species Strategy | | 31,552 | - | - | 1,550 | 1,550 |
| Land Management Plans (Beamer, Rockway, Cave Springs, Woodend, Morgan's Point) | Various | 105,173 | - | - | 25,658 | 25,658 |
| Land Securement - All | Various | - | - | 468,670 | 2,956,408 | 3,425,078 |
| Total - Watershed | | \$ 527,784 | \$ 828,447 | \$ 776,394 | \$ 3,506,690 | \$ 4,283,084 |
| GRAND TOTAL | | \$ 2,305,211 | \$ 1,221,763 | \$ 939,938 | \$ 5,804,073 | \$ 6,744,011 |

Report To: Finance Committee

Subject: 2025 Operating and Capital Budgets - FINAL

Report No: FC-06-25

Date: April 16, 2025

Recommendation:

THAT Report No. FC-06-25 RE: 2025 Operating and Capital Budgets – FINAL **BE RECEIVED**;

AND THAT in accordance with the Board approved Reserves Policy, the amount of \$1,848,946 **BE ALLOCATED** from Reserves (Capital and Operating) to fund ongoing initiatives carried over from 2024 as per details provided in this report;

AND FURTHER THAT the 2025 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 2025 Operating and Capital Budgets. Additionally, Staff are requesting Finance Committee approval of recommendations related to reserve allocations for 2025, 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 2025 Unfunded Budget Priorities list as funding becomes available.

Background:

On October 18, 2024, the NPCA Board of Directors passed the following resolution, in part, respecting the 2025 Draft Budgets and Municipal Levies:

Resolution No. FA-105-2024

THAT the 2025 Draft Budgets & Municipal Levies **BE APPROVED BY WEIGHTED LEVY VOTE** for discussion with municipal staff, in accordance with Board approved Budget Assumptions;

THAT the list of 2025 unfunded pressures **BE PROVIDED** to partner municipalities for any future opportunities outside the 2025 budget through collaborative projects or external funding;

AND FURTHER THAT NPCA staff **REPORT** the results of discussions with municipal staff to the 2025 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/or communicated with each municipal partner relative to NPCA's draft 2025 operating and capital budgets.

Staff delivered a presentation on the 2025 budgets to Niagara Region's Budget Review Committee of the Whole on November 21, 2024, and attended the City of Hamilton's General Issues Committee on January 28, 2025. Haldimand County did not require the NPCA to deliver a Council presentation; 2025 budgets for the NPCA are included as a line item in Haldimand County's overall budgets and were adopted on February 27, 2025.

In all cases, 2025 operating and capital budgets were presented to Council as approved by the NPCA's Board of Directors on October 18, 2024 with no changes.

Budget Approval Status

Niagara Region

NPCA 2025 Budgets and Municipal Levies were approved by Niagara Region Council on December 12, 2024.

City of Hamilton

NPCA 2025 Budgets and Municipal Levies were approved by City of Hamilton Council on February 12, 2025.

Haldimand County

NPCA 2025 Budgets and Municipal Levies were approved by Haldimand County on February 27, 2025.

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

Reserve Allocations – 2025

The Reserve Policy provides guidance for the allocation and use of funds within each of the reserve categories. On April 19, 2024, Report No. FA-17-24 (page 3) noted the following:

Further to 2023 confidential report FA-50-23 related to the Compensation Review project, the net surplus position from 2022 and 2023 (partial) was utilized to meet the financial requirements of this initiative, in keeping with the Board directive during an in-camera session. As such, the negative 2024 net position of \$675,949 is funded from the General Operating Reserve.

General Operating Reserve – (\$675,949)

General Capital Reserve - \$708,890

This balance represents Board approved multi-year capital projects that will be completed in 2025 and beyond.

Related Reports and Appendices:

Appendix 1: 2025 – 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

2025 UNFUNDED BUDGET PRIORITIES

| Description | 2025 Unfunded Priority | 2025 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 | 15,382 | 4,234 | 384 | |
| Climate Change Action Program Corporate Risk & Vulnerability Assessment | 150,000 | 115,362 | 31,757 | 2,881 | |
| Flood and Erosion Mitigation - Assessment and Design | 2,000,000 | 1,538,156 | 423,426 | 38,418 | |
| Non-Point Source Water Quality Best Management Practices Stewardship | 200,000 | 153,816 | 42,343 | 3,842 | |
| Shoreline Climate Modeling and Risk Assessment (incl Lake Erie Shoreline Hazard Mapping) | 500,000 | 500,000 | | | |
| Urban Climate Stewardship for Nearshore Watershed (Land to Lake Initiative) | 240,000 | 184,579 | 50,811 | 4,610 | |
| Total - Integrated Watershed Strategies | 3,620,000 | 2,957,254 | 607,616 | 55,130 | - |
| <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 | 96,135 | 26,464 | 2,401 | |
| Total - Conservation Authority Act Requirements | 125,000 | 96,135 | 26,464 | 2,401 | - |
| <u>Corporate Services and Asset Management</u> | | | | | |
| Strategic Asset Management Policy/Planning | 80,000 | 61,526 | 16,937 | 1,537 | |
| Sustainable Technologies and Green Infrastructure | 360,000 | 76,908 | 21,171 | 1,921 | |
| IT Security Audit | 50,000 | 38,454 | 10,586 | 960 | |
| IT Equipment Upgrades | 50,000 | 38,454 | 10,586 | 960 | |
| Growth FTE's - Compliance Tech, GIS Tech, Records Management | 250,000 | 192,270 | 52,928 | 4,802 | |
| Operationalize Digital Strategy | 500,000 | 384,539 | 105,857 | 9,605 | |
| Corporate Support - Process Reviews | 100,000 | 76,908 | 21,171 | 1,921 | |
| Facilities - furniture, upgrades, EV Stations, etc. | 250,000 | 192,270 | 52,928 | 4,802 | |
| Total - Corporate Services and Asset Management | 1,380,000 | 1,061,328 | 292,164 | 26,508 | - |
| <u>Corporate Administration</u> | | | | | |
| NPCA Website Technical Maintenance & Redesign | 50,000 | 38,454 | 10,586 | 960 | |
| Total - Corporate Administration | 50,000 | 38,454 | 10,586 | 960 | - |
| <u>State of Good Repair (SOGR) / Health and Safety</u> | | | | | |
| Asset replacement and sustainment (amortization) | 1,400,000 | 1,076,709 | 296,398 | 26,893 | |
| Campground Upgrades | 530,000 | 530,000 | | | |
| Barn Storage Facility | 200,000 | 200,000 | | | |
| Automated Gates | 330,000 | 330,000 | | | |
| Furniture | 25,000 | 19,227 | 5,293 | 480 | |
| Lime Kiln Restoration | 100,000 | 100,000 | | | |
| New Metal Stairs for Bruce Trail | 200,000 | | | | 200,000 |
| Interpretive and Wayfinding Signage | 500,000 | 384,539 | 105,857 | 9,605 | |
| 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 | | | |

2025 UNFUNDED BUDGET PRIORITIES

| Description | 2025 Unfunded Priority | 2025 Unfunded Budget Priorities - Proposed Funding Sources | | | |
|--|------------------------------|--|------------------|----------------|----------------|
| | | Municipal Funding | | | Other |
| | | Niagara | Hamilton | Haldimand | |
| 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 | 1,000,000 | 769,078 | 211,713 | 19,209 | |
| St. Johns Valley Centre Septic System | 225,000 | 225,000 | | | |
| Fencing for All Parks | 300,000 | 230,723 | 63,514 | 5,763 | |
| Waste bins for All Parks | 30,000 | 23,072 | 6,351 | 576 | |
| 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 | 57,681 | 15,878 | 1,441 | |
| Historical Buildings Roof Repair | 200,000 | 200,000 | | | |
| Total - State of Good Repair / Health and Safety | 10,660,000 | 8,861,030 | 1,535,004 | 63,966 | 200,000 |
| TOTAL 2025 UNFUNDED BUDGET PRIORITIES | 16,235,000 | 13,414,200 | 2,471,834 | 148,966 | 200,000 |

2025 Unfunded Budget Priorities

| Classification | Niagara | Hamilton | Haldimand | External | TOTAL |
|---|-------------------|------------------|----------------|----------------|-------------------|
| Integrated Watershed Strategies | 2,957,254 | 607,616 | 55,130 | - | 3,620,000 |
| Natural Hazard Management | 400,000 | - | - | - | 400,000 |
| Conservation Authority Act Requirements | 96,135 | 26,464 | 2,401 | - | 125,000 |
| Corporate Services and Asset Management | 1,061,328 | 292,164 | 26,508 | - | 1,380,000 |
| Corporate Administration | 38,454 | 10,586 | 960 | - | 50,000 |
| State of Good Repair (SOGR) / Health and Safety | 8,861,030 | 1,535,004 | 63,966 | 200,000 | 10,660,000 |
| | 13,414,200 | 2,471,834 | 148,966 | 200,000 | 16,235,000 |