

Financial Statements of

**NIAGARA PENINSULA  
CONSERVATION AUTHORITY**

And Independent Auditors' Report thereon

Year ended December 31, 2024



**KPMG LLP**

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## **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 material policy information

(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.

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.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

April 25, 2025



# NIAGARA PENINSULA CONSERVATION AUTHORITY

## Statement of Financial Position



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

|                                          | 2024                 | 2023                 |
|------------------------------------------|----------------------|----------------------|
| <b>Financial assets</b>                  |                      |                      |
| Cash and cash equivalents                | \$ 1,403,597         | \$ 3,348,225         |
| Investments                              | 3,642,384            | 4,636,276            |
| Accounts receivable                      | 1,000,653            | 744,574              |
|                                          | <u>6,046,634</u>     | <u>8,729,075</u>     |
| <b>Liabilities</b>                       |                      |                      |
| 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              | -                    |
|                                          | <u>3,118,111</u>     | <u>3,546,029</u>     |
| Net financial assets                     | <u>2,928,523</u>     | <u>5,183,046</u>     |
| <b>Non-financial assets</b>              |                      |                      |
| Prepaid expenses                         | 258,167              | 210,152              |
| Tangible capital assets (note 5)         | 33,473,993           | 27,941,777           |
|                                          | <u>33,732,160</u>    | <u>28,151,929</u>    |
| Accumulated surplus (note 6)             | <u>\$ 36,660,683</u> | <u>\$ 33,334,975</u> |

See accompanying notes to financial statements

A handwritten signature in black ink, appearing to read "John Metcalfe".

John Metcalfe, Chair

A handwritten signature in black ink, appearing to read "Leilani Lee-Yates".

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<br>(note 9) | 2024<br>Actual | 2023<br>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

# NIAGARA PENINSULA CONSERVATION AUTHORITY

## Notes to Financial Statements



Year ended December 31, 2024

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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.



# NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)



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.

# NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)



Year ended December 31, 2024

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## 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.

**NIAGARA PENINSULA CONSERVATION AUTHORITY**

Notes to Financial Statements (continued)



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<br>December 31,<br>2023 | Externally<br>restricted<br>inflows | Revenue<br>earned | Balance at<br>December 31,<br>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-<br>Ontario Power Generation ("OPG") | 704,078                            | –                                   | (178,399)         | 525,679                            |
| Total                                                        | \$ 2,423,667                       | \$336,409                           | \$ (1,550,725)    | \$ 1,209,351                       |

**NIAGARA PENINSULA CONSERVATION AUTHORITY**

Notes to Financial Statements (continued)



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<br>December 31,<br>2023 | Additions           | Transfers/<br>Disposals | Balance at<br>December 31,<br>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                          |
| <b>Total</b>           | <b>\$39,616,707</b>                | <b>\$14,951,003</b> | <b>\$ (7,886,518)</b>   | <b>\$46,681,192</b>                |

| Accumulated<br>Amortization | Balance at<br>December 31,<br>2023 | Additions          | Transfers/<br>Disposals | Balance at<br>December 31,<br>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                          |
| <b>Total</b>                | <b>\$11,674,930</b>                | <b>\$1,628,481</b> | <b>\$ (96,212)</b>      | <b>\$13,207,199</b>                |



**NIAGARA PENINSULA CONSERVATION AUTHORITY**

Notes to Financial Statements (continued)



Year ended December 31, 2024

**5. Tangible capital assets (continued):**

|                        | Net Book Value<br>December 31, 2023 | Net Book Value<br>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                           |
| <b>Total</b>           | <b>\$27,941,777</b>                 | <b>\$33,473,993</b>                 |

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)            |
|                                                                       | <b>\$ 36,660,683</b> | <b>\$ 33,334,975</b> |



# NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)



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             |
|                   | <b>\$3,346,490</b> | <b>\$ 5,579,498</b> |

## 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.

# NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements (continued)



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

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**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 28<sup>th</sup>, 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

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**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<br>Administration | Watershed           | Corporate<br>Services | Conservation<br>Areas | 2024<br>Total       |
| <b>Revenues:</b>                    |                             |                     |                       |                       |                     |
| 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             |
| <b>Total revenues</b>               | <b>1,390,047</b>            | <b>6,686,456</b>    | <b>5,641,549</b>      | <b>5,584,674</b>      | <b>19,302,726</b>   |
| <b>Expenses:</b>                    |                             |                     |                       |                       |                     |
| 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           |
| <b>Total expenses</b>               | <b>1,453,255</b>            | <b>5,384,717</b>    | <b>4,193,220</b>      | <b>4,945,826</b>      | <b>15,977,018</b>   |
| <b>Annual surplus</b>               | <b>\$ (63,208)</b>          | <b>\$ 1,301,739</b> | <b>\$ 1,448,329</b>   | <b>\$638,848</b>      | <b>\$ 3,325,708</b> |

| 2023                                |                             |                    |                       |                       |                     |
|-------------------------------------|-----------------------------|--------------------|-----------------------|-----------------------|---------------------|
|                                     | Corporate<br>Administration | Watershed          | Corporate<br>Services | Conservation<br>Areas | 2023<br>Total       |
| <b>Revenues:</b>                    |                             |                    |                       |                       |                     |
| 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              |
| <b>Total revenues</b>               | <b>\$1,401,947</b>          | <b>\$5,123,228</b> | <b>\$4,063,996</b>    | <b>\$5,432,732</b>    | <b>\$16,021,903</b> |
| <b>Expenses:</b>                    |                             |                    |                       |                       |                     |
| 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           |
| <b>Total expenses</b>               | <b>1,206,266</b>            | <b>4,374,494</b>   | <b>3,210,335</b>      | <b>4,430,000</b>      | <b>13,221,095</b>   |
| <b>Annual surplus</b>               | <b>\$ 195,681</b>           | <b>\$ 748,734</b>  | <b>\$ 853,661</b>     | <b>\$1,002,732</b>    | <b>\$ 2,800,808</b> |



**16. Comparative Figures:**

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