

Financial Statements of

**NIAGARA PENINSULA
CONSERVATION AUTHORITY**

And Independent Auditors' Report thereon

Year ended December 31, 2025



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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Niagara Peninsula Conservation Authority

Opinion

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

- the statement of financial position as at December 31, 2025
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

April 24, 2026

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Financial Position



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

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

See accompanying notes to financial statements

Handwritten signature of Robert Foster.

Robert Foster, Chair

Handwritten signature of Leilani Lee-Yates.

Leilani Lee-Yates, CAO/Secretary -Treasurer

NIAGARA PENINSULA CONSERVATION AUTHORITY



Statement of Operations and Accumulated Surplus

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

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

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Change in Net Financial Assets



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

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

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Statement of Changes in Cash Flows



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

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

See accompanying notes to financial statements

NIAGARA PENINSULA CONSERVATION AUTHORITY

Notes to Financial Statements



Year ended December 31, 2025

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

1. Significant accounting policies:

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

(a) Basis of accounting:

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

(b) Cash and cash equivalents:

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

(c) Investments:

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

(d) Deferred revenue:

Deferred revenues represent government transfers and user fees which have been collected but for which performance obligations have not been met. These amounts will be recognized as revenues in the fiscal year the services are performed.

(e) Non-financial assets:

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

Year ended December 31, 2025

1. Significant accounting policies (continued):

(f) Non-financial assets (continued):

i) Tangible capital assets:

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

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

Amortization is based on the following classifications and useful lives:

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

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

ii) Intangible assets:

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

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives. Full year amortization is charged in the year of acquisition.

Work-in- progress assets are not amortized until the asset is available for productive use. The Authority generally amortizes GIS and mapping-related intangible assets over 10 or 20 years.

Year ended December 31, 2025

1. Significant accounting policies (continued):

(g) Revenue recognition:

i) Government transfers

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

ii) Municipal levies

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

iii) Authority generated

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

(h) Employee future benefits:

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

(i) Asset retirement obligation:

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

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

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

Year ended December 31, 2025

1. Significant accounting policies (continued):

(j) Use of estimates:

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

2. Employee future benefits:

The Authority provides extended life, health, and dental benefits to a closed group of early retirees to age 65 which will require funding in future periods. The Authority recognizes these retirement benefit costs in the period in which the service is rendered. The accrued benefit liability at December 31, 2025 was estimated by management to be \$152,900 (2024 - \$159,800). Information about the Authority's benefit plan is as follows:

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

3. Deferred revenue:

Deferred revenues consist of the following:

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

Year ended December 31, 2025

4. Long-term financing:

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

5. Tangible capital assets:

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

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

Year ended December 31, 2025

5. Tangible capital assets (continued):

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

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

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The fair value of contributed assets received during the year is \$nil (2024 - \$nil). Tangible capital assets recognized at nominal value include land used in the operations and conservation management. There were no amounts recognized at nominal value during the year, or 2024.

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

6. Intangible assets:

Cost	Balance at December 31, 2024	Additions	Balance at December 31, 2025
Intangible assets	\$ 1,589,764	\$ 632,668	\$ 2,222,432
Accumulated Amortization			
Intangible assets	\$ 675,954	\$ 205,994	\$ 881,948

Year ended December 31, 2025

6. Intangible assets (continued):

Net Book Value	Balance at December 31, 2024	Balance at December 31, 2025
Intangible assets	\$ 913,810	\$ 1,340,484

There were no disposals or impairments during the year.

7. Accumulated surplus:

Accumulated surplus consists of the following:

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

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

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

8. Credit facility:

The Authority's credit facility includes an overdraft lending account of \$1,000,000 bearing interest at prime less 0%. As at December 31, 2025, \$nil (2024 - \$nil) was drawn on this facility. As at December 31, 2025, \$nil (2024 - \$11,667) was issued by way of a letter of credit to a municipality for which the Authority receives levies in exchange for construction work on-going within the municipal boundaries.

Year ended December 31, 2025

9. Pension plan:

The Authority makes contributions to the Ontario Municipal Employees Retirement System (“OMERS”), which is a multi-employer plan, on behalf of the 94 (2024 – 87) members of its staff. The plan is a defined benefit plan that specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, the Authority does not recognize any share of the pension plan deficit of \$1.3 billion (2024 - \$2.9 billion) based on the fair market value of the Plan’s assets, as this is a joint responsibility of all Ontario municipal entities and their employees.

Contributions were made in the 2025 calendar year at rates ranging from 9.0% to 14.6% depending on the member’s designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the Statement of Operations. Employer contributions to OMERS for 2025 current and past service was \$781,890 (2024 - \$706,869) and were matched by employee contributions.

10. Budget data:

The budget data presented in these financial statements is based upon the 2025 operating budget approved by the Board of the Authority on October 18, 2024, and capital budget approved October 18, 2024. Amortization was not incorporated in the development of the budget and, as such, was not provided on the statement of changes in net financial assets. The chart below reconciles the approved budget to the budget figures reported in these financial statements:

	Budget Amount
Revenues	
Operating	
Approved budget	\$ 16,095,957
Capital	
Approved budget	2,929,701
Total revenues	\$ 19,025,658
Expenses:	
Operating	
Approved budget	\$ 16,095,957
Capital	
Approved budget	2,929,701
Add:	
Amortization	1,753,545
Less:	
Tangible capital assets included in operating expense	(2,929,701)
Debt principal payments	(122,844)
Total expenses	\$ 17,726,658
Annual surplus	\$ 1,299,000

Year ended December 31, 2025

11. Asset retirement obligation

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

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

12. Contingencies:

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

13. Related party transactions:

During the year, the Authority incurred \$29,295 (2024 - \$26,406) in expenditures for per diems, honorariums, and mileage which was paid to and on behalf of members of the Board of Directors for the Authority.

14. Contractual rights:

The Authority has contractual rights under contract with various Ministry agencies to receive funds in exchange for services to be provided under those contracts. The Authority is expecting up to \$370,949 in future revenues based on anticipated services to be performed.

15. Contractual obligations and commitments:

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

Year ended December 31, 2025

15. Contractual obligations and commitments (continued):

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

16. Segmented information:

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

Corporate Administration

Corporate administration services are comprised of the administration services of the Authority.

Watershed

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

Corporate Services

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

Conservation Areas

The conservation areas department is the umbrella for two divisions dedicated to conservation land management and conservation land programming. Conservation land management is the administration department for the conservation areas. Conservation land programming and development is responsible for maintenance and improvements to the conservation areas.

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

NIAGARA PENINSULA CONSERVATION AUTHORITY



Notes to Financial Statements (continued)

Year ended December 31, 2025

16. Segmented information (continued):

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

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

Year ended December 31, 2025

17. Comparative Figures:

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

18. Provincial Conservation Authority Amalgamation:

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

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

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

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