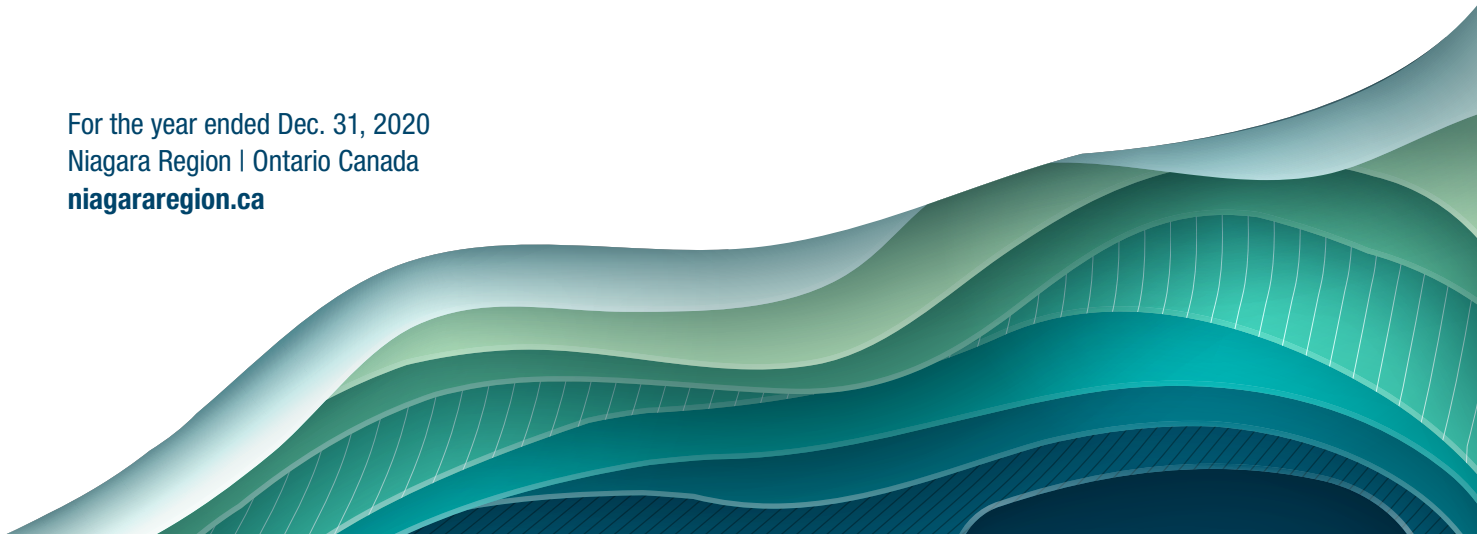


# 2020

## ANNUAL FINANCIAL REPORT

For the year ended Dec. 31, 2020  
Niagara Region | Ontario Canada  
[niagararegion.ca](http://niagararegion.ca)



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# SECTION 1

# INTRODUCTION

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Sunrise at Rotary Park,  
St. Catharines

Prepared by Corporate Services  
Department and the office of the  
Chief Administration Officer



## PURPOSE

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Niagara Region's annual report provides an opportunity to reflect and highlight on some of the accomplishments during the year. As well as providing transparent financial information to taxpayers regarding the use of financial resources entrusted by Niagara Region for the purpose of providing municipal services and infrastructure.

The organization's core values and collective mission form the basis of the Region's work on the Strategic Plan for 2018-2022.

## VISION

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Niagara Region is a unified community of communities with diverse opportunities and qualities. Together we strive for a better tomorrow.

## MISSION

---

Niagara Region will serve its residents, businesses and visitors through leadership, partnership and the provision of effective and community-focused services.

## VALUES

---

Our corporate values guide our decision-making and actions every day:

### RESPECT

We treat everyone equitably with compassion, sensitivity and respect.

### SERVE

We serve Niagara with pride, care and excellence.

### HONESTY

We value honesty, integrity and trust.

### CHOICE

We believe in social, environmental and economic choices that support our diverse community.

### PARTNERSHIPS

We foster collaboration and value partnerships.

---

Top: Welland Canal, Welland



**Jim Bradley**  
Regional Chair

# 2018 - 2022 REGIONAL COUNCIL

---

Niagara Region is one of six regional governments in Ontario. As an upper-tier municipality, Niagara Region provides programs and services for the residents and businesses in 12 cities and towns. Regional Council is composed of a regional chair, 12 elected mayors and 19 elected officials from Niagara's local area municipalities. Regional Council also functions as Niagara's Board of Health.



**Sandie Bellows**  
St. Catharines



**Barbara Butters**  
Port Colborne



**David Bylsma**  
West Lincoln



**Frank Campion**  
Welland



**Pat Chiochio**  
Welland



**George Darte**  
St. Catharines



**Jim Diodati**  
Niagara Falls



**Betty Disero**  
Niagara-on-the-Lake



**Sandra Easton**  
Lincoln



**Kelly Edgar**  
St. Catharines



**Wayne Fertich**  
Grimsby



**Robert Foster**  
Lincoln



**Bob Gale**  
Niagara Falls



**Kevin Gibson**  
Wainfleet



**Barbara Greenwood**  
Niagara Falls



**Brian Heit**  
St. Catharines



**Diana Huson**  
Pelham



**Tom Insinna**  
Fort Erie



**Laura Ip**  
St. Catharines



**Jeff Jordan**  
Grimsby



**Marvin Junkin**  
Pelham



**Peter Nicholson**  
Niagara Falls



**Wayne Redekop**  
Fort Erie



**Tim Rigby**  
St. Catharines



**Walter Sendzik**  
St. Catharines



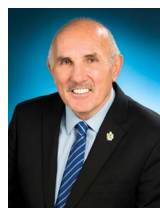
**Bill Steele**  
Port Colborne



**Terry Ugulini**  
Thorold



**Leanna Villella**  
Welland



**Tim Whalen**  
Thorold



**Albert Witteveen**  
West Lincoln



**Gary Zalepa**  
Niagara-on-the-Lake

# CORPORATE LEADERSHIP TEAM

---



## Jim Bradley

The Regional Chair

The Niagara Regional Chair holds dual roles as both head of Regional Council and the Chief Executive Officer of the Niagara Region. This role also provides leadership to Regional Council, represents Niagara Region at official functions, and participates in activities that enhance the economic, social and environmental well-being of Niagara Region and its residents.



## Ron Tripp

Acting Chief Administrative Officer

The Chief Administrative Officer is responsible for providing advice to Regional Council and leadership to senior staff as part of the Corporate Leadership Team. The CAO is responsible for empowering a team of more than 3,000 employees to ensure that Regional Council's strategic priorities and policies are implemented efficiently and effectively.



### Todd Harrison

Commissioner of Corporate Services, Treasurer



### Dr. M. Mustafa Hirji,

MD, MPH, FRCPC  
Acting Medical Officer,  
Commissioner of Public Health  
and Emergency Services



### Adrienne Jugley

Commissioner of  
Community Services



### Rino Mostacci

(Retired) Commissioner of  
Planning and Development  
Services



### Bruce Zvaniga

Commissioner  
of Public Works (Interim)

## Office of the Chief Administrative Officer

- Community Services
- Corporate Services
- Corporate Administration
- Planning and Development Services
- Public Health and Emergency Services
- Public Works

## Regional Council Committees

- Corporate Services Committee
- Planning and Economic Development Committee
- Public Health and Social Services Committee
- Public Works Committee

## Boards and Agencies

- **Niagara Peninsula Conservation Authority**  
Chair: Brenda Johnson  
Vice-Chair: Bruce Mackenzie
- **Niagara Regional Housing**  
Chair: Walter Sendzik  
Vice-Chair: Gary Zalepa
- **Police Services Board**  
Chair: Bill Steele  
Vice-Chair: Dave Eke
- **Provincial Offences Joint Board**  
Chair: Cathy Hickson  
Vice-Chair: Heather Salter

## Other Supporting Services

- **Auditors**  
Deloitte LLP
- **Banker**  
The Royal Bank of Canada
- **Fiscal Agents**  
National Bank Financial Inc.,  
RBC Capital Markets,  
CIBC World Markets Inc.
- **Fiscal Solicitor**  
WeirFoulds LLP
- **Insurance Provider and Broker**  
Marsh Canada Limited



## MESSAGE FROM

# JIM BRADLEY

## NIAGARA REGIONAL CHAIR

---

I am sure we can agree 2020 was a year like no other. The COVID-19 pandemic claimed hundreds of residents, deeply effected businesses across the region, and drastically changed the way we live and work. Despite all the abrupt changes and challenges brought on by this crisis, I continue to be humbled and proud of the extraordinary accomplishments and achievements our community and residents have shown over the past year.

In 2020, we marked the 50th anniversary of the creation of Niagara's Regional government. While we would have liked to celebrate this milestone in a very different way, 2020 will certainly stand as a testament to the strength of Niagara as a community, and the bonds we have formed over the last 50 years, and beyond, have helped carry us through this challenging time.

This pandemic has put a significant strain on the physical, mental wellbeing of our community. However, it has also given us opportunity to rise above those challenges, to come together in true camaraderie and compassion, and to put aside our differences in order to keep each other safe and healthy.

I am proud of the work done by members of Council and Regional staff over the last year in ensuring our residents continued to receive the services they rely on under such unique circumstances.

Many of our staff witnessed this crisis from the frontlines. Not enough can be said of the bravery shown by our workers in public health, long-term care, community services and many other Regional departments who showed unwavering professionalism in their work and gave of themselves to protect those most vulnerable in our community.

Likewise, the people of Niagara stepped up in large numbers when called upon to keep their distance, wear masks and stay out of harm's way. As we work toward life after COVID-19, our progress toward recovery will be possible because of the sacrifices many have made during these difficult times.

While COVID-19 changed how we go about doing our work at the Region, it did not stop our work to make Niagara a more prosperous place.

### **To help drive Council's vision for a prosperous and resilient region, progress was made on key projects including:**

- \$159 million investment in the redevelopment of two long-term care facilities
- \$20 million for Niagara Regional Housing Hawkins St. intensification
- \$16 million for the widening of Casablanca Blvd. in Grimsby
- \$10 million for upgrades to the Port Dalhousie Wastewater Treatment Plant

### **Other major accomplishments worth mention are:**

- The launch of a new waste collection contract that included every-other-week garbage collection. Council approved this change in an effort to help increase diversion, preserve landfill space and reduce our impact on climate change.
- Securing water and wastewater funding to address the capital infrastructure gap in alignment with the Safe Drinking Water Act
- The addition of a position for Diversity Action Plan and Community Safety and Well-Being initiatives
- The Niagara Emergency Medical Services transformation pilot finalized and recommendation for sustainable models presented to Regional Council

As we continue into 2021 and our residents get vaccinated against COVID-19, we can start to see a light at the end of the tunnel and the recovery process begin. Your Regional government will be there every step of the way to help our community in every way we can to meet each challenge ahead. Regional Council will continue to engage with residents, businesses and community partners to make Niagara a place where residents can live, work and play.

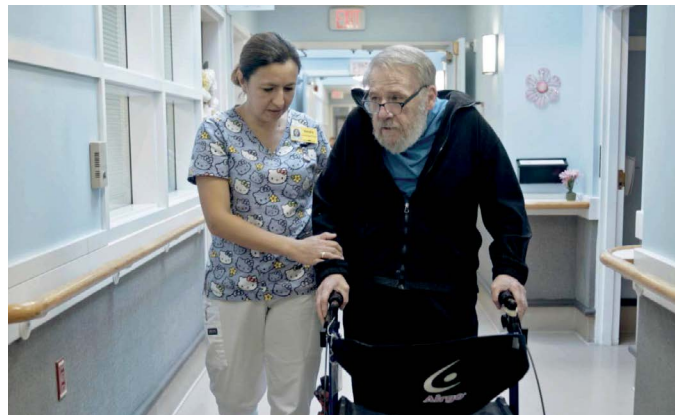
Jim Bradley, Niagara Regional Chair

# WHERE ARE WE?

**Niagara Region offers our residents a mix of urban and rural living amidst the lush Southern Ontario greenbelt. While the world paused in 2020 in response to the pandemic, residents and visitors to the region typically enjoy celebrated events such as the Niagara Wine Festival in St. Catharines, Canal Days in Port Colborne or our New Years Celebration in Niagara Falls. The region is home to an abundance of culture, from museums to art galleries and highly revered restaurants.**

Niagara Region is always looking for ways to improve our services and infrastructure to serve residents better. In addition to the two Community Safety Zones launched in 2019, Regional Council approved 10 more in 2020. Construction wrapped up on a new state-of-the-art police facility in downtown St. Catharines and we are excited to continue the progress on long-term care redevelopment of two of our homes in Niagara.

Our proximity to Toronto and the United States has been an integral part of our economic evolution. Our industries include manufacturing, tourism, agriculture, and agribusiness, transportation and logistics and emerging sectors such as new media, green technology and bioscience. As we grow, we continue our regional mandate to move transit forward, with significant investment into GO transit to connect our communities to the Greater Toronto and Hamilton Area and share all the amazing things Niagara has to offer.



This is where we are - and we are passionate about Niagara. The population is seeing major increases, jobs are being created at a steady pace, weekly employment income is increasing, gross domestic product is on the rise, new businesses are being created, more businesses are employing people, investment in commercial and industrial building construction is booming and more companies are exporting and bringing new money into the regional economy. We hope to continue on this path as we strive to act as a sustainable and engaging government.

---

From top: Newly completed Niagara Regional Police Services facility, Senior Services staff and resident at a Niagara Region long-term care home.



# WHERE ARE WE GOING?

## **Regional Council proudly released its new Strategic Plan in 2019 and Niagara Region is excited for what is in store in 2021 and beyond.**

By serving our residents, businesses and tourists through collaborative leadership, with responsible policy and the provision of effective and efficient community-focused services, we can achieve our goal of a prosperous, safe and inclusive community that embraces natural spaces and promotes a high quality of life. We also are continuing to execute the Transportation Master Plan, a comprehensive strategic planning document that defines policies, programs and infrastructure improvements required to address transportation and growth needs from today through to 2041. We are working with local area municipalities to provide communities with safe, clean drinking water and effective environmental protection.

We are responsible for what comes out of your tap and what happens after you flush the toilet. The Water and Wastewater Master Servicing Plan provides direction on how we operate now and how we plan to operate and deliver water and wastewater services in the future. This includes for example, the extensive work that has been completed to bring a new wastewater treatment plan to Niagara Falls, with a large-scale environmental assessment and conceptual design already underway. Community growth has a huge impact on water supply and delivery. It is up to us to determine how best to meet Niagara's growing needs and ensure water and wastewater infrastructure accurately reflects this.

As we continue to work towards achieving our Niagara Region vision, staff and Council are investing in service improvements that will affect our residents from birth to old age. With successful community capital builds providing additional child care spaces in five of our municipalities and new long-term care home enhancements on their way, there is so much to be excited about with where we are going.



International Plaza, Niagara Region Headquarters, Thorold

## TWO-TIER GOVERNMENT SYSTEM

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Along with the 12 local area municipalities, Niagara Region is part of a two-tier government structure. Since 1970, Niagara Region has served as the upper tier while each of the local municipalities administer local programs and services. Services like regional transportation or infrastructure move between local boundaries and a two-tier government allows for coordinated growth. This collaboration and partnership between the two-tiers can ensure service delivery across jurisdictions is efficient and takes into account the many voices that make up Niagara.

## REGIONAL PROGRAMS AND SERVICES

---

Niagara Region's programs and services touch the lives of residents every day. We provide high quality drinking water, collect and treat wastewater, maintain the regional roads you drive on, fund two inter-municipal transit services and provide help for Niagara residents from birth to old age, which includes the operation of eight long-term care homes and a range of support services to help seniors remain in their homes.

From the collection of your garbage, Blue/Grey Boxes and Green Bins, to the staff that support our childcare centres, and our paramedics who are ready to respond when the unexpected happens, Niagara Region is here to build a healthier and more prosperous community.

---

NIAGARA REGION'S  
POPULATION IS  
APPROXIMATELY  
**481,907**

---

**12** LOCAL AREA  
MUNICIPALITIES

---

MEDIAN AGE WOULD BE  
**45.7 YEARS**

---

AFTER TAXES,  
THE MEDIAN FAMILY  
INCOME WOULD BE  
**\$72,105**

---

Source: Statistics Canada 2016



---

Welland Canal, St. Catharines



**55.52 BILLION**  
LITRES OF DRINKING  
WATER TREATED

By our six water treatment plants



**11,787**

LICENSED CHILD CARE  
SPACES AVAILABLE IN  
NIAGARA REGION

As of December 2020



NIAGARA EMERGENCY MEDICAL  
SERVICES RESPONDED TO

**60,408**

UNIQUE 911 INCIDENTS



NIAGARA REGIONAL HOUSING  
TOTAL UNITS OF  
AFFORDABLE HOUSING

**8,664 UNITS**

As of December 2020



LAUNCHED NRT ONDEMAND  
PILOT RIDESHARE SERVICE

**7,907**

RIDES TAKEN

August - December 2020



**17,500**

EMPLOYABILITY  
ASSESSMENTS COMPLETED

By Social Assistance and Employment  
Opportunities in the Building Employment  
Networks Niagara system (BENN)

2019/2020



**3,935**  
FOOD PREMISE  
INSPECTED

March – December 2020



**68,850 TONNES**  
BLUE/GREY BOX  
RECYCLABLES PROCESSED

**58,444 TONNES**  
OF TOTAL ORGANICS PROCESSED



**167 MEETINGS +  
98 ACTIVE LEADS**

IN DIRECT FOREIGN TRADE  
AND INVESTMENT



FOREIGN DIRECT  
INVESTMENT  
**33 LEADS**

THAT ARE IN THE HIGH PRIORITY  
ACTIVE CATEGORY



**15 CLIENTS**  
PER DAY RECEIVED  
CLIENT FACING SERVICES

FROM THE SEXUAL HEALTH TEAM



**1,738 KM**  
OF REGIONAL ROAD  
MAINTAINED

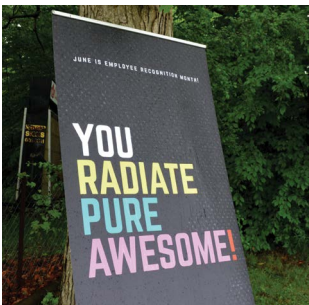
Including reconstruction, resurfacing  
and operational maintenance

# WHAT DO WE DO?



## Niagara Regional Council

Niagara Regional Council acts as the final decision-making body for Niagara Region and serves as the Board of Health. The Council consists of a Regional Chair, the mayors of all 12 Niagara Regional municipalities, and 19 additional Regional Councillors elected to represent the various municipalities. All councillors hold office until November 14, 2022.



## Corporate Administration

Niagara Region's Corporate Administration Department includes the Office of the Chief Administrative Officer (CAO) and is responsible for implementing the policies and direction of Regional Council. This area oversees the management and performance of the municipality's business operations, as well as the efficient organization of Regional staff and other resources to direct activities toward common goals and objectives. Divisions include the Office of the Regional Clerk, Niagara Economic Development, Human Resources, and Corporate Strategy and Innovation, which includes Strategic Communications and Public Affairs, Corporate Performance and Partnerships and Enterprise Projects.



## Community Services

We envision a strong community as one where every individual is supported to maximize their potential, achieve their goals, and enhance their quality of life and social well-being. Niagara Region Community Services Department assists some of the most vulnerable people in our community, from infancy to senior years. Our services are broken down into four divisions covering Children's Services, Homelessness Services and Community Engagement, Senior Services and Social Assistance and Employment Opportunities.



## Corporate Services

Corporate Services oversees finance, legal, court services, facilities, technology, and procurement and strategic acquisition. These services, along with effective planning and strategy, work to improve our everyday lives and greater prosperity for Niagara. Business Licensing and Enforcement, Construction, Energy and Facilities Management, Financial Management and Planning, Information Technology, Legal and Court Services, and Procurement and Strategic Acquisitions are the divisions that make up the Corporate Services Department.



## Planning and Development

The Provincial Growth Plan requires that Niagara Region plan to accommodate 610,000 people and 265,000 jobs by 2041. Our proactive planning will play a central role in helping Niagara Region ensure that the forecasted growth in Niagara is developed to help make our cities livable and communities complete. The Planning and Development Services Department makes recommendations, guides and regulates community development. The planning and development department is broken down into three divisions; Development Services, Community and Long Range Planning and Infrastructure Planning and Development Engineering.



## Public Health and Emergency Services

We are committed to building one of the healthiest communities in Canada by providing public health programs which prevent illness and injury, and community-based clinical services that expand access to care. Public Health consists of divisions offering programs including: chronic disease and injury prevention, clinical services, emergency services, environmental health, family health, medical, organizational and foundational services and mental health programs. Front-line paramedics and advanced emergency medical dispatchers work to ensure the residents and visitors of Niagara receive the highest level of care, handling approximately 80,000 patient calls each year.



## Public Works

Public Works staff provide critical foundational 24 hour/365 day services as well as maintaining and operating essential infrastructure. These services support health, wellness and economic activity in Niagara. From turning on a tap or flushing a toilet to driving on a regional road, disposing of garbage or recyclables, or taking transit between municipalities - Public Works plays an integral role in our everyday lives. Public Works is composed of GO Implementation Office (includes regional transit), Transportation Services, Waste Management Services, and Water and Wastewater Services.





## Niagara Regional Housing

Niagara Regional Housing is responsible for the administration of Community Housing across Niagara Region and is dedicated to improving lives and building healthy communities through a combination of programs and services. These services include public housing, non-profit and co-operative housing, community programs, new development, rent supplement and temporary housing allowances in private buildings. Some of Niagara Regional Housing's program offerings include Niagara Renovates, Housing First, and the Welcome Home Niagara Homeownership Program.



## Niagara Regional Police Service

Niagara Regional Police Service provides policing and public safety services to all of Niagara's residents as well as 13 million visitors in a typical year. Niagara Region Police Service aims to provide quality-policing services, with integrity.



## Niagara Peninsula Conservation Authority

Niagara Peninsula Conservation Authority serves approximately half a million people and covers an area of over 2,430 square kilometres covering the region, 21 per cent of the City of Hamilton and 25 per cent of Haldimand County. The driving force behind the Conservation Authority movement is its land stewardship focus and involvement with water programs.



## Provincial Offences Court, Niagara Region Courts

Niagara Region administers the Provincial Offences Court on behalf of the 12 local area municipalities. Niagara Region's staff are responsible for setting trials, prosecuting certain Provincial offences, recording court proceedings, and receiving fine payments resulting from charges laid by the various police forces and enforcement agencies operating within the region.



# 2019-2022 COUNCIL STRATEGIC PRIORITIES

## **Supporting Businesses and Economic Growth**

A coordinated approach to fostering economic growth in Niagara.

## **Healthy and Vibrant Community**

Foster a high quality of life through safe, healthy and inclusive neighbourhoods through the delivery of quality, affordable and accessible human services.

## **Responsible Growth and Infrastructure Planning**

Sustainable investments in transportation, transit and infrastructure, while aligning infrastructure planning with the reservation of the natural environment.

## **Sustainable and Engaging Government**

A commitment to high quality, efficient, fiscally sustainable and coordinated core services through enhanced communication, partnerships and collaborations with the community.

---

Jordan Harbour, Lincoln

## PRIORITY 1

# SUPPORTING BUSINESS AND ECONOMIC GROWTH

Niagara continues to take a proactive approach to building long-term economic prosperity and resiliency. Staff continue to work collaboratively with our business community, our local area municipal partners and other community stakeholders, creating the conditions Niagara needs to see sustained economic growth.

To accommodate a forecasted 210,000 new residents and 81,000 new jobs by 2051, the Region is also employing progressive and informed land-use planning practices to plan for safe, complete, vibrant communities across Niagara through the formation of the Niagara Official Plan.

Over this current term of Council, the Region has supported several major initiatives that aim to build social, cultural, and economic prosperity in Niagara. Looking beyond the obvious challenges facing Niagara in our recovery from the economic impacts from COVID-19, the Region continues to plan for long-term economic growth, and the outlook remains hopeful.

Enterprise Geographic Information System (GIS) Portal environment is available for self-serve use in the organization, empowering Planning and Economic Development resources to produce a mapping-centric Niagara Business Directory application.



Canada Games Park under construction



# 2020 PRIORITY ACHIEVEMENTS

## Economic Development Long-term Strategy



**Strategy Working Group** formed to conduct research, consultation, and ensure all stakeholder voices are heard



### Letters of commitment

Signed by and received from all 8 municipalities that have Economic Development offices

## 2022 Canada Summer Games



Region assumed responsibility for construction of Canada Games Park

**\$29M** Cost-shared investment

By the Federal and Provincial governments secured for new facilities

## Expand Broadband Infrastructure and Capacity



Secured representation on South Western Integrated Fibre Technology Project Advisory Table

**\$8.9M** In Federal and Provincial support secured

For broadband servicing nearly 5,629 homes and businesses across Niagara

## Gateway Community Improvement Plan



**\$2.3M**

Total value for all approved grants over the life tax increment-based grant

**CREATING 128 JOBS**

## Planning and Development Services



**971**

**DEVELOPMENT  
PERMITS ISSUED**

In 2020 (up 0.73 per cent)

## Economic Development



**480 NEW  
BUSINESSES**

## Planning and Development Services



**\$1.4B**

**BUILDING PERMIT  
VALUES**

In 2020

## Social Assistance and Employment Opportunities (SAEO)

**MET PROVINCIAL  
PERFORMANCE TARGETS**

In 2019 resulting in maximum funding of

**\$8.1M**

Niagara Region estimates that by 2051 there will be

**210k**

**NEW RESIDENTS +  
81,000 NEW JOBS**

# PRIORITY 2

# HEALTHY AND VIBRANT COMMUNITY

Niagara Region envisions a strong community as one where individuals receive support to maximize their potential, achieve their goals, and enhance their quality of life and social well being.

Through its work, Niagara Region aims to foster a high quality of life through safe, healthy, and inclusive neighbourhoods and deliver quality, affordable and accessible human services.

The high standard of care delivered by Regional staff everyday stems from a community belief that our citizens should be supported and set up to thrive, from infancy to senior years. Over this current term of Council, the Region has supported several major initiatives that strive to nurture a healthy and vibrant Niagara.



From left: Concept drawing of long-term care redevelopment at Linhaven, members of the Conquer COVID-19 Public Health team outside Niagara Region Headquarters

# 2020 PRIORITY ACHIEVEMENTS

## Long-term Care Redevelopment

# \$175M

For Redevelopment projects will accommodate approximately 416 residents



Fort Erie Gilmore Lodge:  
**160 BEDS**  
St. Catharines Linhaven:  
**256 BEDS**

## Affordable Housing



### CREATION OF A NIAGARA HOUSING STATEMENT

Will be used to inform affordable housing initiatives at regional and area municipal levels

## Housing Assets



# \$20.9M

### NEW HOUSING ASSETS A 73-UNIT DEVELOPMENT

Two apartment buildings on Hawkins Street in Niagara Falls

## Transportation Services



### VISION ZERO ROAD SAFETY PLAN

Five-year action plan to reduce traffic-related fatalities and serious injuries

## Public Health



### NEW NIAGARA PHYSICIANS

Plus support for six physicians for maternity leaves or walk-in-shifts

## Homelessness Services



### NIAGARA ASSERTIVE STREET OUTREACH

Created for individuals experiencing unsheltered homelessness

## Children's Services



### NEW LICENCED CHILD CARE SPACES CREATED

To provide more childcare for working families

## Homelessness Services



### SHELTER DIVERSION PILOT PROGRAM

From one shelter to three and contributed to the successful shelter diversion of 227 individuals

## Niagara Regional Housing



### 254 APPLICATIONS ACCEPTED CANADA-ONTARIO HOUSING BENEFIT (COHB)

Rental assistance for Niagara Regional Housing's Centralized Waiting List

## PRIORITY 3

# RESPONSIBLE GROWTH AND INFRASTRUCTURE PLANNING

Niagara Region recognizes that responsible growth and infrastructure planning are a necessary foundation of any healthy, prosperous and sustainable community.

Investments in transportation and transit are building a network to allow people to live and work in Niagara while supporting the economy by moving goods to domestic and international markets and providing access to local destinations and services.

It is vital to ensure there is a balance between infrastructure planning and growth with the preservation of our natural environment. Niagara is known internationally for our natural beauty and it is important we maintain it for the quality of life for residents and for visitors to enjoy

Niagara Region is also looking to drive environmental protection and address climate change by increasing waste diversion rates and reducing our carbon footprint with fewer greenhouse gas emissions.



From left clockwise: Completed reconstruction of West St. (RR 20) in West Lincoln, new garbage truck vehicles with new Box it. Bin it. Sort it. campaign branding, launch of NRT OnDemand in Niagara-on-the-Lake with Regional Chair Jim Bradley, Lord Mayor Betty Disero, Niagara-on-the-Lake Councillors and Regional staff, construction on Burgoyne Bridge means protection for community safety.

# 2020 PRIORITY ACHIEVEMENTS

## GO Train Service Expansion



### COLLABORATION WITH MUNICIPALITIES AND METROLINX

Station planning for identified sites

## Inter-Municipal Transit

Inter-municipal Transit Working Group



**HARMONIZES OPERATIONS, POLICIES, AND STANDARDS**

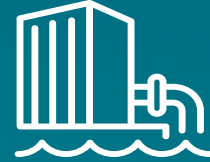
Of current Niagara transit providers



**LINKING NIAGARA TRANSIT COMMITTEE**

Completes study with full commission identified as preferred governance model

## Water and Wastewater Services



### SOUTH NIAGARA FALLS WASTEWATER TREATMENT PLANT



**ENVIRONMENTAL ASSESSMENT COMPLETE**

Largest capital project in region history

## Transportation Master Plan (TMP) Implementation



**POLICY DEVELOPMENT**

Regional Official Plan Amendment completed



**CASABLANCA BLVD ENVIRONMENTAL ASSESSMENT COMPLETE**

(Regional Road 10)

## Water and Wastewater Services



### OPENED NIAGARA-ON-THE-LAKE WASTEWATER TREATMENT PLANT

Resulting in increased wastewater treatment capacity for residential and commercial growth in the area

## Waste Management



**BOX IT. BIN IT. SORT IT.**

### IMPLEMENTATION OF THE NEW WASTE COLLECTION CONTRACT

Promoting and raising awareness of the new collection service level changes, began October 2020

## Niagara Regional Transit OnDemand



**LAUNCHED NRT ONDEMAND PILOT**

**IN GRIMSBY, LINCOLN, PELHAM, WAINFLEET AND WEST LINCOLN IN AUGUST 2020.**

Service started in Niagara-on-the-Lake in November 2020

## Transportation Services



### INTRODUCED 10 NEW COMMUNITY SAFETY ZONES

For elementary schools through Vision Zero Program throughout Niagara Region

## Intersection Improvements



### COMPLETION OF REGIONAL ROAD 20 RECONSTRUCTION WEST LINCOLN

Improvements in safety, operations, lighting and two roundabouts

# PRIORITY 4

## SUSTAINABLE AND ENGAGING GOVERNMENT

Niagara Region is committed to providing high quality, efficient, fiscally sustainable and coordinated core services through enhanced communication, partnerships and collaborations with the community.

Throughout this term of Council, the Region has made progress in exploring efficiencies across all its services, streamlining its operations, and engaging in meaningful stakeholder engagement to ensure our programs and services are meeting the needs of our communities.



Regional Chair Jim Bradley and all 12 Niagara mayors jointly signed a declaration marking Niagara as a member of the Coalition of Inclusive Municipalities

# 2020 PRIORITY ACHIEVEMENTS

## Regional Development Charges (RDC) by-law



**COMPLETED NIAGARA 2051 KICK-OFF MEETING**

With support of development charge consultant



**RFP AWARDED FOR CONSULTING SERVICES**

On the Development Charge background study and by-law within approved budget

## Sponsorship Revenue Strategy and Policy



**PREPARED A DRAFT REPORT WITH INVENTORY AND SPONSORSHIP POTENTIAL**



**SPONSORSHIP REVENUE PARTNERSHIP**

With City of St. Catharines

## Grants and Incentives Review



**REPORTED TO COUNCIL ON FINANCIAL IMPLICATIONS OF REGIONAL INCENTIVES**

Establishing 4 priority areas for Regional Incentives



**CONDUCTED ONLINE SURVEYS**

With municipal partners, stakeholders and residents, along with information sessions centred on 4 priority areas

## Capital Financing Strategy

Reduced 10-year infrastructure deficit forecast by

**\$300M**

**1.54% LEVY**

Included in 2020 budget for redevelopment of two long-term care facilities and construction of South Niagara Falls Wastewater Treatment Facility

## Regional Sustainability Review



**DEVELOPED SERVICE PROFILES FOR NIAGARA REGION'S SERVICES**

Including benchmark and performance metrics



**KPMG REPORT PRESENTED TO COUNCIL**

With implementation plan for the 5 top business opportunities

## Social Assistance and Employment Opportunities (SAEO)

**91%**

**OF SOCIAL ASSISTANCE CLIENTS TRANSITIONED TO ELECTRONIC PAYMENT**

Via modernized electronic document management systems in SAEO and Public Health

## Financial Strategy



**ACHIEVED STANDARD AND POOR'S AA STABLE CREDIT RATING**

## Regional Government



**3RD IN REGIONAL GOVERNMENTS**

And 11th overall in the 2019 Public Sector Digest (PSD) as Canada's Top 20 Most Open Cities

## Inclusive Municipality



**THE REGION AND OUR 12 MUNICIPALITIES SIGNED A JOINT DECLARATION**

To participate in the Coalition of Inclusive Municipalities

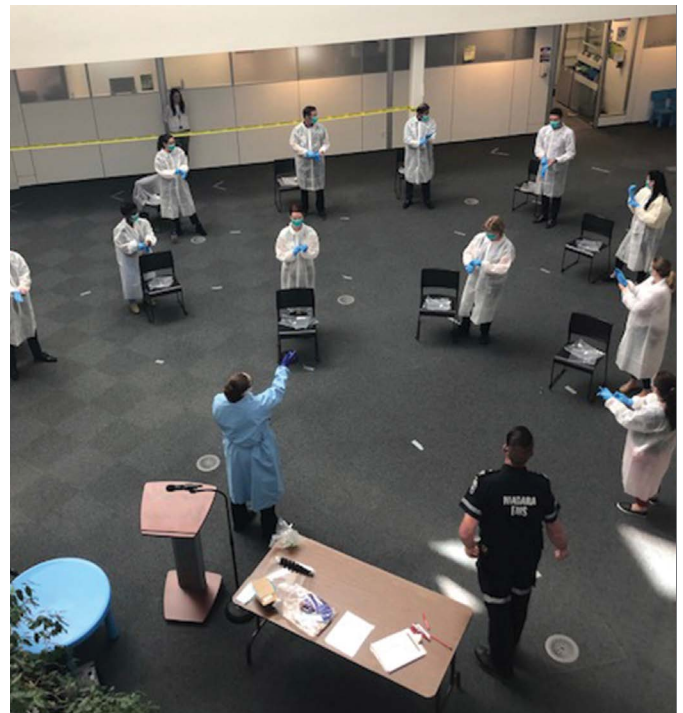
# RECOVERY AND RESPONSE

# SUPPORTING OUR

# COMMUNITY DURING COVID-19

The COVID-19 pandemic is the challenge of our generation. Throughout this crisis, Niagara Region has worked tirelessly to ensure our residents remain safe and continue to receive the services they rely on.

Municipalities continue to be on the frontline of responses to the COVID-19 crisis. The pandemic has forced Niagara Region to adapt its operations and find new and innovative ways to keep our residents healthy and safe.



From left: For our seniors safety family visitations were modified to window visits at our long-term care homes, Niagara Emergency Medical Service staff host personal protective equipment training for Niagara Region Public Health Inspectors.



# 2020 COVID-19 RESPONSE

## Redeployment of Staff



**478+**

**REGIONAL EMPLOYEES**

**REDEPLOYED TO SUPPORT  
PANDEMIC RESPONSE**

+ 64 supporting the Emergency  
Operations Centre

## Digital Engagement



**4.3+M**

**VISITS TO NIAGARA  
REGION'S COVID-19  
WEBPAGE**

## COVID-19 Funding



**21M**

RECEIVED IN FEDERAL AND  
PROVINCIAL SAFE RESTART FUNDING



**\$1.4M**

IN COVID-19 MUNICIPAL  
TRANSIT FUNDING

## Public Health



**83k**

**PHONE CALLS INTO  
OUR COVID-19 INFO-LINE**

Since the initial set up in March 2020  
(Not including physician line or school health line)

**13k**

**ONLINE CHAT  
REQUESTS**

## Economic Development



**DEVELOPED  
AN ECONOMIC  
RECOVERY PLAN**

THAT INCLUDED MORE THAN 50  
ACTIONS TO SUPPORT BUSINESS

## Public Health Inspectors



**110**

**PROACTIVE INSPECTIONS  
IN LONG-TERM CARE HOMES**



**227**

**PROACTIVE INSPECTIONS  
IN RETIREMENT HOMES**

## Public Health



**120**

**SCHOOL  
INSPECTIONS**

In partnership with the Environmental  
Health team, while Niagara school health  
nurses played an essential role in case and  
outbreak management

## Niagara Emergency Medical Services



**2,000**

**COVID-19 SWABS**

Completed in homes and congregate  
living settings, and performed 272  
presentations on personal protective  
equipment usage, providing instruction  
to 2,324 individuals in 2020

## Information Technology



Technology and  
supports to enable staff  
to work from home

**CURRENT DAILY AVERAGE  
REMOTE CONNECTION IS  
1,270 USERS**

Prior to COVID-19 the daily average  
number of remote connections was  
approximately 90 users

# COVID-19 SUPPORT OVERVIEW

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## Public Health

In December 2020, Niagara Region Public Health began a change in organizational structure, to create a stand-alone Pandemic Response division within the department – in place for the next two years. The new division will improve the efficiency of Niagara Region’s pandemic response.

## Redeployment of staff

Over the duration of 2020, 478 Regional staff were redeployed to various positions to help in the fight against COVID-19. Redeploying our staff to support our long-term care homes and other critical services was a critical factor in our response to the first wave of the pandemic.

## Enhanced safety protocols and screening in Regional long-term care homes

Self-screening questions and procedures were put in place to better protect employees and visitors attending Niagara Region facilities. Mandatory wearing of masks for staff and visitors, maintaining physical distancing and enhanced cleaning protocols were also added to our long-term care homes.

## Creation of isolation shelter for homelessness

To protect the homeless population and prevent transmission of COVID-19 within the shelter system, Niagara Region Homelessness Services opened an Isolation Shelter facility to support homeless individuals living in Niagara.

The Isolation Shelter has provided protection to our shelter system from the spread of COVID-19 and to effectively manage outbreaks in the homeless system. In addition to COVID-19 based supports, clients isolating at the facility, have had access to additional case management supports, along with mental health and addiction supports, all to assist with successful transitions to housing.

## Business supports

- Developed an Economic Recovery Plan based on survey responses from businesses and input from additional industry and sector consultation. The Plan included more than 50 actions most of which have been initiated and some completed.
- Built and hosted on the Region’s website a Niagara Personal Protective Equipment list compiled by the Niagara Industrial Association that included companies who produce or have pivoted to different types of personal protective equipment
- Launched a Buy Local campaign which aligned with a complimentary Niagara-wide campaign to advocate for local businesses, and connect residents with existing ‘Buy Local’ initiatives in their community
- Administered Federal Economic Development Agency for Southern Ontario’s Tourism Adaption and Recovery Funding



**200+**

**STAFF WORK IN  
COVID-19 EMERGENCY  
RESPONSE**

Equivalent to 70 per cent of the staff complement in Public Health



**CLIENT INTAKES AT  
ISOLATION SHELTER  
FOR HOMELESS**

Since March 2020



**168**

**TOURISM DEPENDENT  
BUSINESSES**

In grant allocations to adapt to restrictions and remain solvent

# REPORT FROM THE TREASURER

## PROPERTY TAXES

On Dec. 12, 2019, Regional Council approved a 5.92 per cent increase, net of assessment growth, in Regional taxes for a 2020 tax-supported operating budget with a tax levy of \$392.6 million and a capital budget of \$375 million. The 2020 operating budget included a separate 1.54 per cent levy for \$5.6 million to be reinvested in the redevelopment of two long-term care facilities. Tax increases were also required to support provincial downloading of \$2.1 million and \$5.0 million in transit investments.

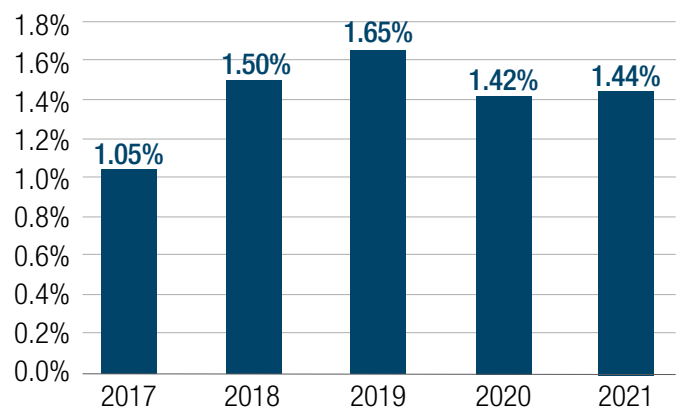
Recent analysis performed by an independent firm illustrated that Niagara Region maintains a competitive advantage with respect to property taxes on commercial (office buildings) and large industrial properties. The review noted that while property tax rates are equal to or higher than other jurisdictions, assessment values representing the cost of capital in Niagara is on average lower than other jurisdictions. This has resulted in commercial office building properties and large industrial properties paying approximately 10 per cent and 26 per cent per square foot less than other jurisdictions respectively<sup>1</sup>.

### Assessment Growth

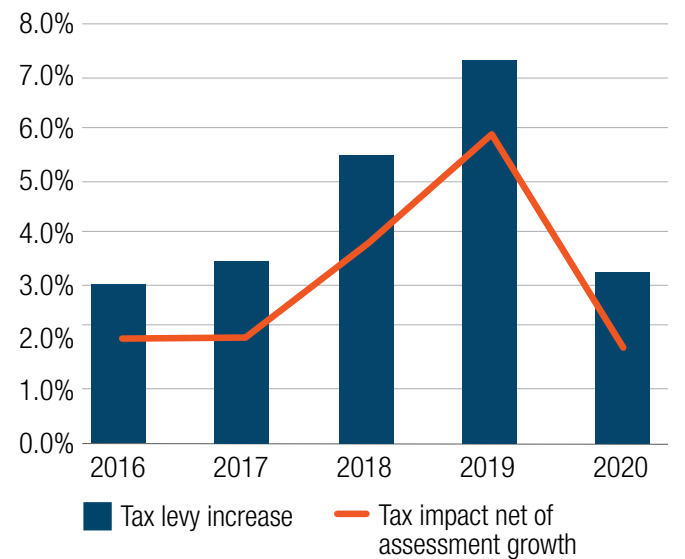
Historical assessment growth, being the incremental property taxes paid as a result of an expanding region (new homes and businesses), through 2021 is presented to the right.

Assessment growth is tied to, but lags behind, building permit values. The increase in the value of building permits issued has resulted in the upward trend of assessment growth. Assessment growth for any given year is based on the information received from the Municipal Property Assessment Corporation (MPAC) and is used in setting the tax rates at the time of budget approval.

**Historical Assessment Growth** (per cent)



**Historical Tax Levy Increase** (per cent)



<sup>1</sup> BMA Management Consulting Inc., Municipal Study - 2019

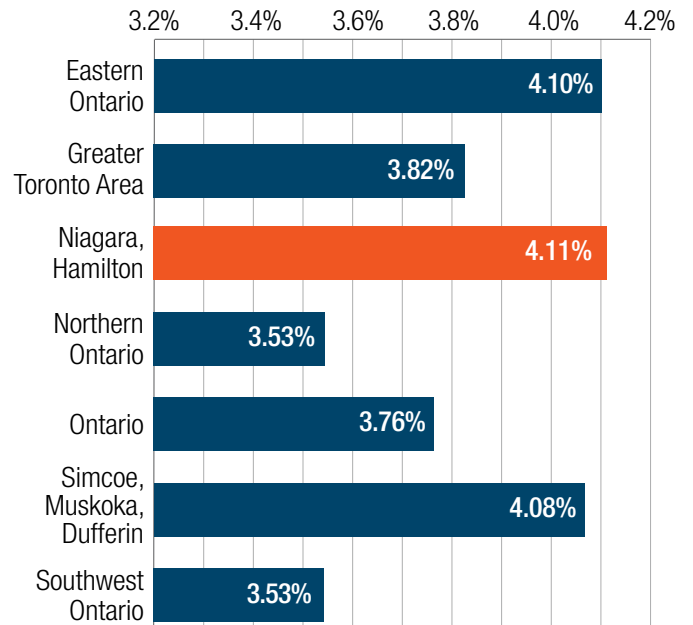
## Property Taxes as a Per cent of Household Income

As a measure of affordability for residents, property taxes as a percentage of household income have remained relatively unchanged, with a small increase from 2019. In 2020, property taxes for Niagara and Hamilton accounted for 4.11 per cent of household income<sup>2</sup> (2019 – 3.98 per cent); however, Niagara when taken on its own is at 4.07 per cent of household income (2019 – 3.94 per cent). This equates to property taxes of \$781 per capita<sup>3</sup>, increasing slightly over 2019 from \$750 per capita.

During 2020, Niagara Region collected \$392.6 million in tax levy from the local area municipalities, excluding payments in lieu and supplemental taxes. A breakdown of the amount and percentage received from each of the local area municipalities is below.

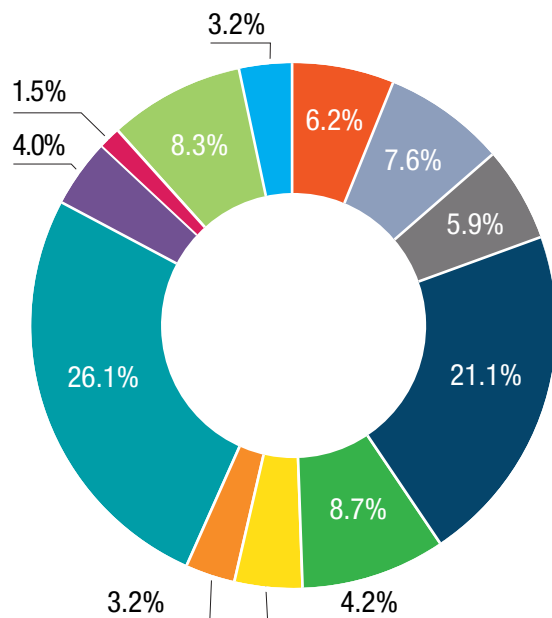
<sup>2</sup> BMA Management Consulting Inc., Municipal Study – 2020  
<sup>3</sup> 2019 FIR; Levy revenue/population; Levy revenue/households

## Property Taxes As Per Cent of Household Income (per cent)



## 2020 Taxation Requisition by Local Area Municipality

(In per cent and millions of dollars)



### In Millions of Dollars

Fort Erie	\$24.3	(6.2%)
Grimsby	30.1	(7.6%)
Lincoln	23.3	(5.9%)
Niagara Falls	82.8	(21.1%)
Niagara-on-the-Lake	34.0	(8.7%)
Pelham	16.4	(4.2%)
Port Colborne	12.6	(3.2%)
St. Catharines	102.5	(26.1%)
Thorold	15.7	(4.0%)
Wainfleet	5.9	(1.5%)
Welland	32.5	(8.3%)
West Lincoln	12.5	(3.2%)

**Total Requisition** \_\_\_\_\_ **\$392.6 M**

# REGIONAL ECONOMY HIGHLIGHTS

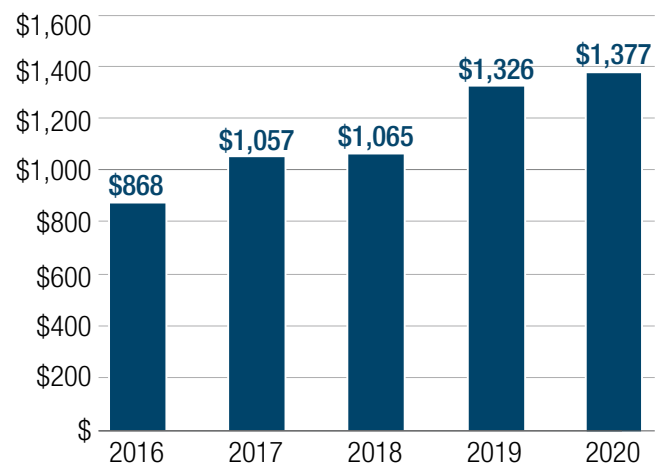
Niagara Region offers a diverse economy that includes manufacturing, tourism, agriculture and agribusiness, transportation and logistics, and emerging sectors such as new media, green technology and bioscience.

## Building Permits Issued

In 2020, the value of building permits issued totalled \$1,377 million, which was an increase of approximately \$51 million over the 2019 values of \$1,326 million. The industrial sector experienced the highest growth percentage of business permits issued, increasing 44.9 per cent over 2019 with a 2020 value of \$68.9 million (2019 - \$47.6 million). The largest amount of building permits issued continues to be the agricultural and residential sector with a total value of \$948.1 million in 2020 (2019 - \$919.6 million, which accounts for 68.8 per cent (2019 – 69.4 per cent) of total building permits issued.

## Total Value of Building Permits Issued

(In millions of dollars)



## Types of Building Permits Issued in 2020

(In millions of dollars)



**\$948.1 - Residential and agriculture**



**\$272.2 - Business and commercial**



**\$68.9 - Industrial**

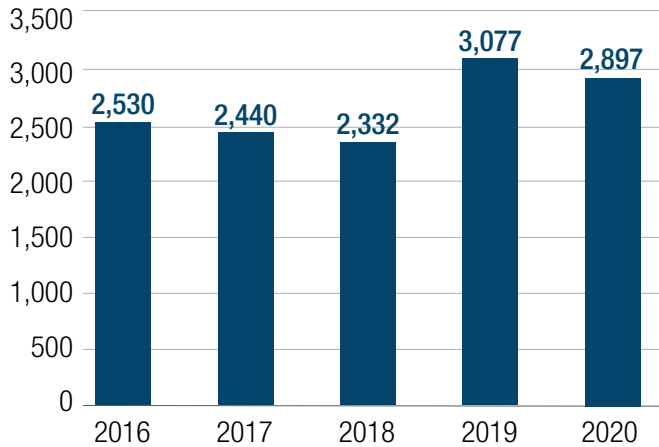


**\$88.0 - Government and institutional**

## Housing Starts

Niagara Region saw a slight decrease (5.8 per cent over 2019) in housing starts during the year. In 2020, there was a total of 2,897 housing starts in Niagara.

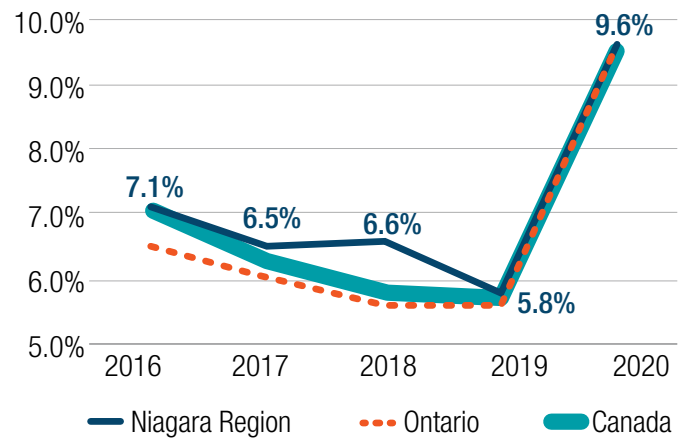
### Housing Starts



## Unemployment Rates

As in many jurisdictions, the COVID-19 pandemic affected Niagara Region's unemployment rate in 2020. Although the number of unemployed due to the pandemic shutdown sat at 12.9 per cent in June, the region's economy made gains toward recovery, ending the year at 9.6 per cent.

### Unemployment Rates (per cent)



# NIAGARA OUTLOOK AND TRENDS

## Aging Population:

Niagara's median age is approximately five years older than the median age of the province and country. Over the last 20 years, the 30-44 and under age cohort has decreased significantly while the 45-64 and 65+ age cohorts have increased across Niagara and the province. As a result, this demographic difference will create a larger demand for a number of Niagara Region services (i.e. Emergency Medical Services, Senior Services and Niagara Regional Housing). Niagara needs to prepare for this ahead of the rest of the country and province.

## Housing and Affordability:

In 2019, Niagara Region embarked on a comprehensive analysis of its housing landscape. Called the Niagara Housing Statement, this ground-breaking work established a data-informed basis for analyzing housing scenarios across the region. With the assistance of Canadian Centre for Economic Analysis (CANCEA), Niagara Region is able to use detailed demographic, housing and economic trends to determine core housing need and affordability. Among its uses, the information contained in the database will support the development of a Niagara Regional Housing Strategy, which will be implemented through the Housing and Homelessness Action Plan and the new Niagara Region Official Plan.

This initiative will also help inform Niagara Region's review of incentives to developers, which aim to encourage construction by defraying some costs. While this analysis is ongoing, the purpose of the review is to ensure Niagara Regional incentives are sustainable and working to achieve and support Council strategic priorities.

## Population's Median Age



**45.7 YEARS - Niagara Region** <sup>4</sup>



**40.4 YEARS - Ontario**



**40.9 YEARS - Canada** <sup>5</sup>

<sup>4</sup> Source: 2016 Census

<sup>5</sup> Statistics Canada

## Types of Households in Core Housing Need



**20,000 - Singles or roommates**



**3,254 - Lone parents**



**286 - Couples**



**271 - Couples with children**

## Governance and Sustainability

Niagara Region undertook a service sustainability review of Niagara Region operations in 2019 with the final report submitted to Council in 2020. The scope of the service sustainability review was as follows:

- Provide a better understanding of Niagara Region services; the rationale for service levels, delivery model, resource allocations and opportunities for efficiencies through collaboration with local area municipalities
- Provide a road map of opportunities for the cost reductions and capacity gains that would contribute to long term sustainability of Niagara Region operations

The review allowed the Region to develop service profiles which include benchmarks and key performance indicators. It also identified opportunities for cost reduction, including opportunities for sharing or coordination of services with Niagara's local area municipalities and six detailed business cases for future implementation consideration. Key themes of the review were:

- Discretionary services are more the exception than the rule with only 8 per cent of regional services deemed discretionary
- The cost of services, while a valid concern, does not appear to be a significant issue with Niagara Region falling within the range of upper tier municipal comparators for most services
- Cost reductions have been underway prior to the service sustainability review
- Financial constraints have impacted service levels in certain areas
- Opportunities exist that can be pursued by Council and the shared services opportunities were directed to the Chief Administrative Officers of Niagara group for consideration

## Infrastructure

In 2019, Niagara Region's new term of Council adopted a new set of strategic priorities including Responsible Growth and Infrastructure Planning. The goal of this strategic priority will be to promote sustainable investments in transportation, transit and infrastructure, while aligning infrastructure planning with preservation of the natural environment.

Niagara Region approved the largest ever capital budget for 2021. The record-setting capital budgets will allow Niagara Region to target new infrastructure developments, including the construction of a new wastewater treatment plant in south Niagara Falls that will open up the area to population growth and new economic opportunities.

With the introduction of the Asset Management Office in 2019, Niagara Region is making asset management part of the Region's business firstly by implementing decision-making based on corporate-wide risk to ensure that prioritized and approved capital projects deliver the best return and contribute to a long-range financial plan to maintain existing and new infrastructure.

## Climate Change

Climate change is creating increased risks for major weather events such as severe and more frequent storms. This places more demand on existing infrastructure and may require more costly infrastructure to be built to accommodate these risks and will require the municipality to have increased budget flexibility to deal with unexpected costs. Climate change impacts are being considered in updates to the Region's Asset Management Plan and Official Plan.



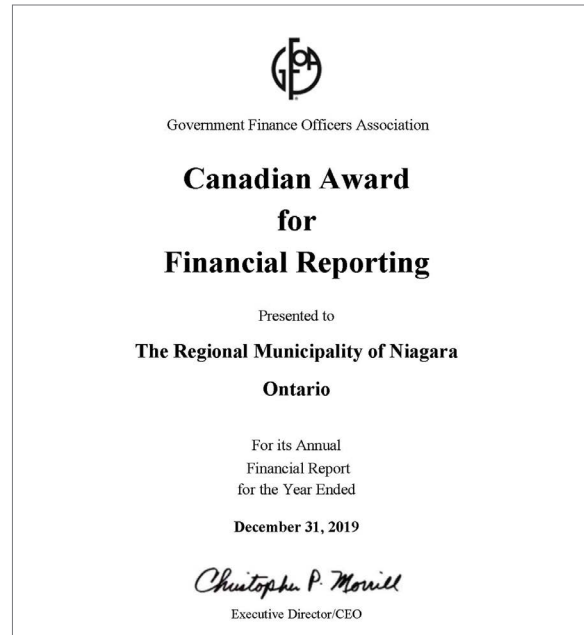
# CANADIAN AWARD FOR FINANCIAL REPORTING

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Our commitment to developing fiscally responsible budgets and presenting financial information to Niagara Region taxpayers in a clear and easy-to-understand format was recognized by the Government Finance Officers Association of the United States and Canada (GFOA).

For the sixteenth consecutive year, the GFOA presented Niagara Region with the Canadian Award for Financial Reporting for the Region's 2019 Annual Financial Report. To receive this award, a government organization must present financial information in a clear, concise and informative manner, with content that conforms to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles.

Niagara Region is continuing this standard of high quality reporting for the submission and evaluation of its 2020 Annual Report to the GFOA's 2020 award program. GFOA also presented Niagara Region with a Distinguished Budget Presentation Award for the 2020 Budget Plan. This award reflects the commitment of Regional Council, management and staff to meet the highest standards of government budgeting. This is the seventh time that Niagara Region has received the award and it represents a significant achievement.





# CONSOLIDATED FINANCIAL STATEMENTS HIGHLIGHTS

The consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Chartered Professional Accountants of Canada. The statements and related information are the responsibility of management and include financial activities of all entities deemed to be controlled by Niagara Region, including Niagara Regional Police Service Board, Niagara Regional Housing and Court Services.

The Municipal Act of Ontario requires Niagara Region to appoint an independent auditor to express an opinion as to whether the financial statements present fairly, in all material respects. The independent auditor provides an opinion on Niagara Region's financial position and operating results.

In discharging this responsibility, the auditors have complete access to all Niagara Region records and meet regularly with staff to discuss policies, procedures and process improvements arising from the audit. The auditors provide a written report and management letter dealing with the adequacy of internal financial control systems, and an audit opinion regarding the results of the financial statement audit.

Consistent with prior years, Niagara Region's financial statements have received an unmodified audit opinion.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

The consolidated statement of financial position reports on Niagara Region's financial and non-financial assets, liabilities and accumulated surplus at Dec. 31, 2020.

## Tangible Capital Assets and Capital Funding Program

Tangible capital assets are significant economic resources managed by Niagara Region and a key component in the delivery of many programs and services.

The net book value of tangible capital assets, as reported in the consolidated statement of financial position, is \$1.9 billion and is highlighted by the categories in the accompanying chart. Total historical costs are \$3.3 billion and the total accumulated

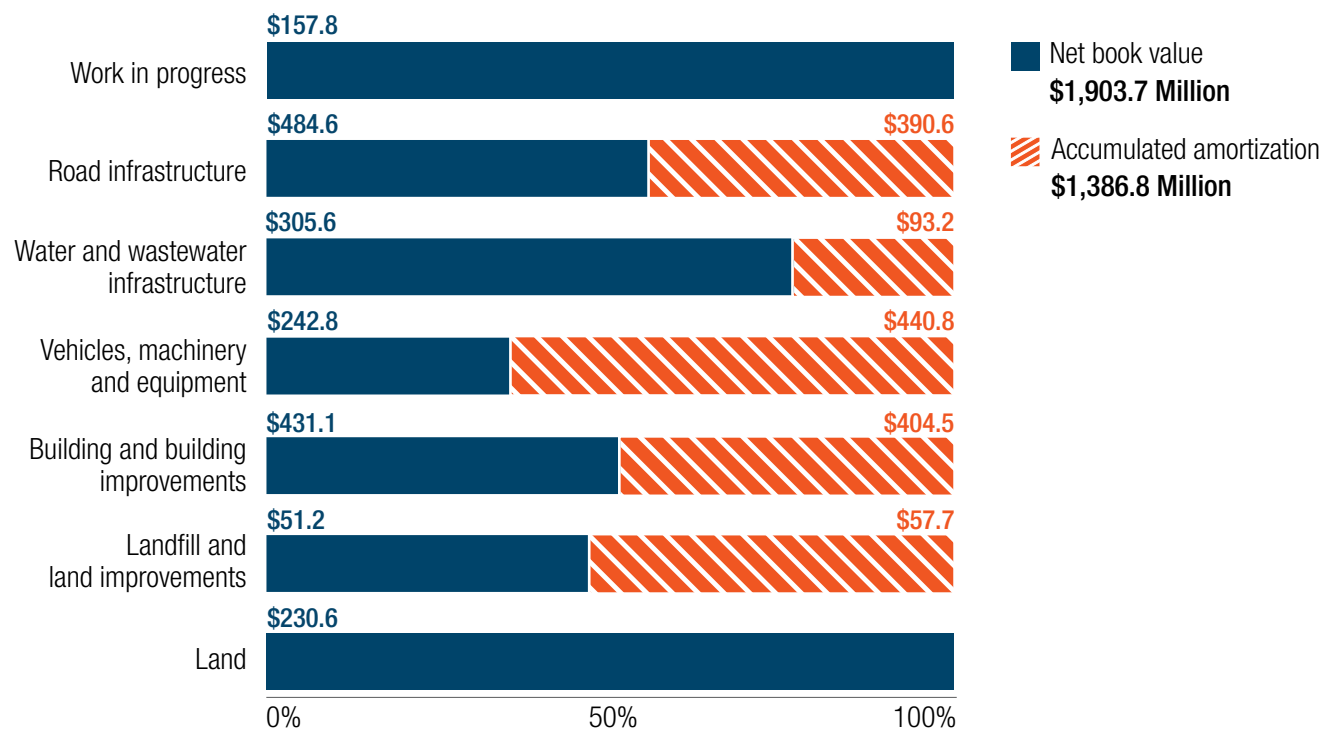
amortization is \$1.4 billion, implying that 42.1 per cent of the estimated useful life of Niagara Region's tangible capital assets have been used in the delivery of programs and services. Amortization can be used to estimate future capital spending requirements with the understanding that asset replacement costs will be significantly higher than historical costs.

During the year, Niagara Region acquired \$173 million (2019 - \$158 million) of tangible capital assets. The amortization expense, as reported in the statement of operations, amount to \$92.3 million (2019 - \$87.2 million).

Project budgets, whereby tangible capital assets are constructed or acquired, are approved by Regional Council to ensure that the appropriate funding is in place. Once the funding is in place, tangible capital assets are acquired in compliance with the Region's financial policies.

## Tangible Capital Assets

Net Book Value and Amortization (in millions of dollars)



Niagara Region's Capital Financing Policy is focused on ensuring long-term financial sustainability and flexibility while maintaining a strong credit rating and adherence to statutory requirements. Policy principles will be implemented over time to manage affordability associated with the transition period to financial sustainability. The intent of the Policy is to establish guidelines for Council and staff to effectively plan for the appropriate financial resources to deliver the growing needs of the Region's capital program and to identify optimal funding sources for these capital projects based on the scope of the project.

**Total request .....\$3,029 MILLION**

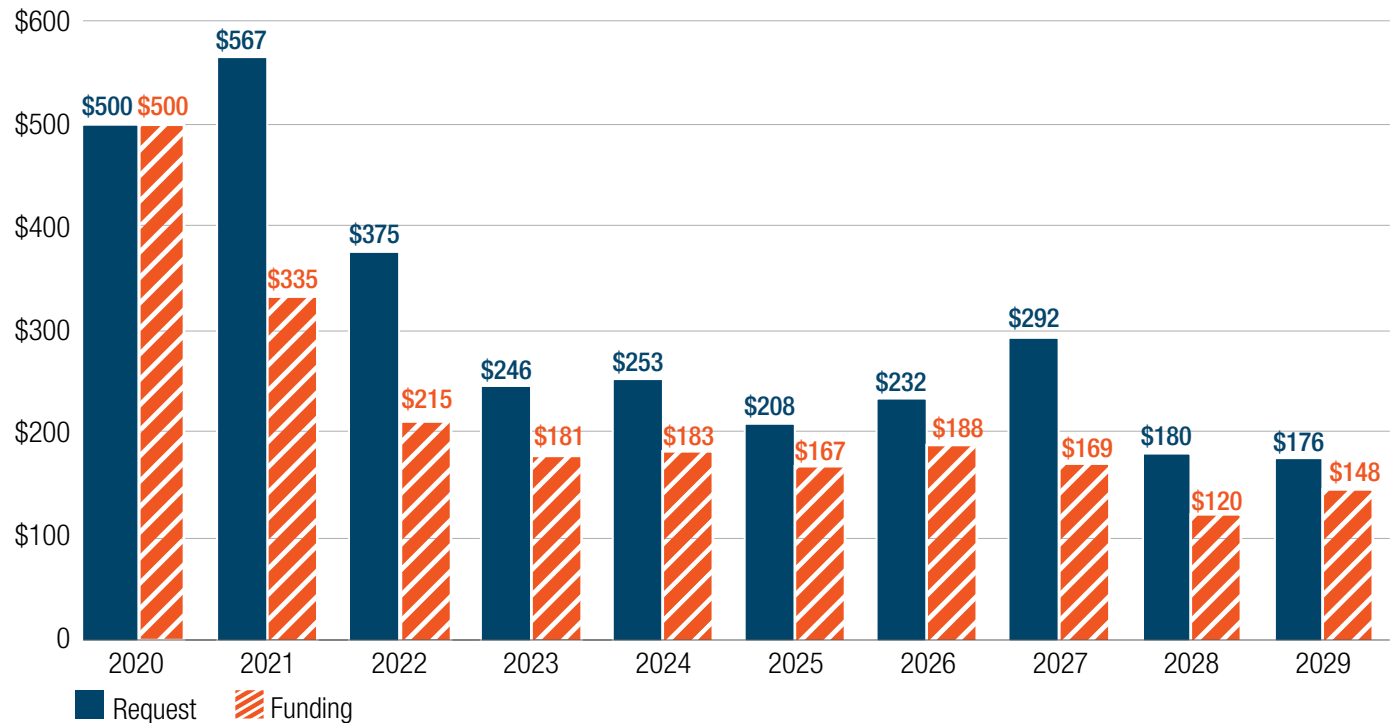
**Total funding .....\$2,205 MILLION**

**Funding gap.....\$824 MILLION**

The graph illustrates deviations between gross capital requests and funding sources available within each year.

### Ten Year Capital Ask

(In millions of dollars)



## Debt Position and Long-Term Debt Strategy

Niagara Region's debt practices are governed by provincial legislation and Regional Council. The long-term capital financing requirements for the capital infrastructure plan and asset management plan are guided by the Capital Financing Policy. The Region utilizes reserves and debt in the financing of the capital program. Debt financing is used for significant upgrade and rehabilitation initiatives to ensure the operating impact of the investment remains smooth to match revenue recovery from tax and rate-payers with the benefit of the infrastructure.

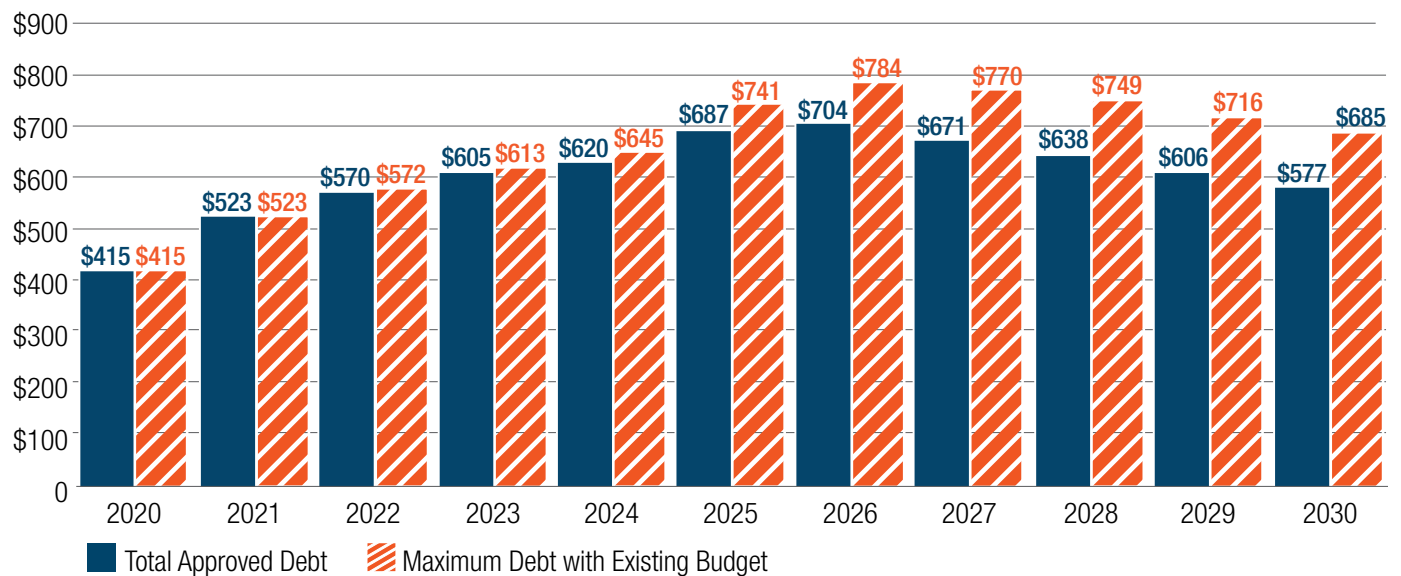
The following chart illustrates the annual projected debt levels over the next 10 years for approved debt, as well as the maximum available debt that may be considered in future years to address the capital infrastructure gap by way of utilizing the existing operating budget made available from debt that is retiring in the year. The increasing trend in maximum debt available is a result of the fact that recent interest rates are more favourable than that on debt that is retiring, allowing for more debt to be serviced with the same amount of annual operating budget.

On an annual basis, Niagara Region is required to calculate their annual repayment limit. The annual repayment limit is the maximum amount that a municipality can pay in principal and interest payments in the year for long-term debt. To calculate the annual repayment limit, Niagara Region divides total debt payments for the year by the total net revenues for the same year. A lower debt payment as a per cent of own source revenues indicates that a lower amount of the municipality's own source revenues are being used toward principal and debt repayments.

The province's prescribed annual debt repayment limit stipulates that payments relating to all debt and other long-term financial obligations of a municipality may not exceed 25 per cent of own source revenues, including the annual tax levy, rate generated revenue and user fees. Niagara Region's annual repayment limit was 7.1 per cent (2019 – 7.8 per cent) at the end of 2020.

### Forecasted Outstanding Debt Principal

(In millions of dollars)



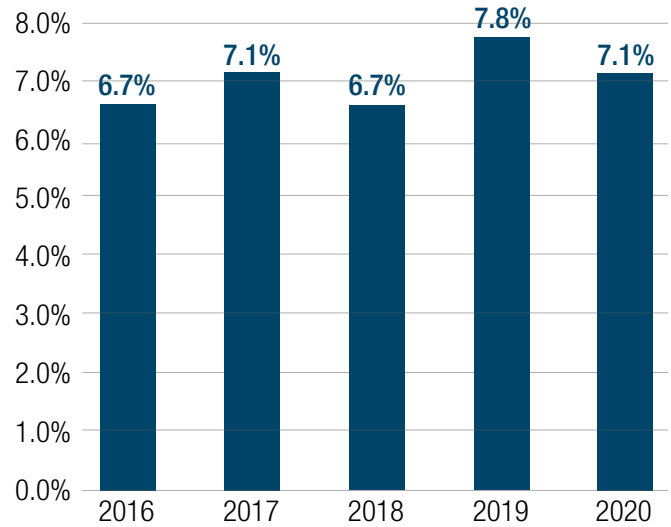
Niagara Region, by way of provincial legislation, also issues all debt on behalf of the 12 local area municipalities. The total debt recorded on the consolidated statement of financial position is \$740 million (2019 - \$696 million), which includes \$324 million (2019 - \$316 million) of debt recoverable from others. Debt recoverable from others accounts for 43.8 per cent of the total debt recorded at the end of 2020 (2019 – 45.4 per cent).

On Oct. 13, 2020 S&P reaffirmed Niagara Region’s “AA” rating with stable outlook. The ratings reflect S&P’s opinion of Niagara’s exceptional liquidity, very strong budgetary performance, strong financial management, and moderate debt burden. S&P noted that the COVID-19 pandemic has dampened the Regional Municipality of Niagara’s economy, and a larger capital plan will weaken the region’s budgetary results. Nevertheless, the region benefits from manageable debt levels and very ample liquidity.

Highlights of the report also note that Niagara Region could receive a stronger rating if the Region demonstrated significant and sustained economic improvement through healthier growth in population and household incomes, more in line with that of the province.

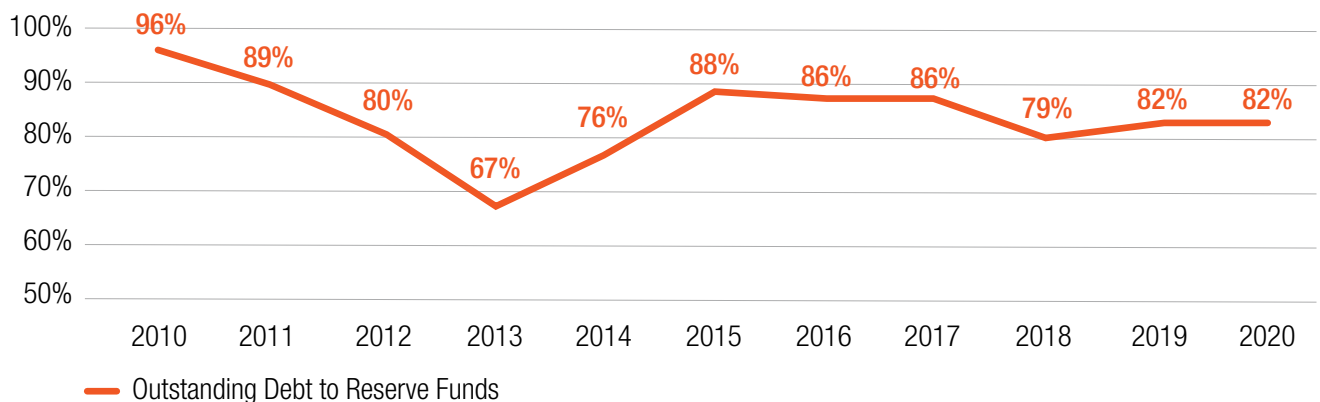
As a result of the trends identified by S&P, in the 2021 budget Niagara Region has continued using the debt charge placeholder as a tool to control debt charges levels and future debt issuance amounts, continues to use levy reserves, and is funding economic development initiatives.

### Debt Payments as a Per Cent of Own Source Revenues (per cent)



The Region relies on reserves as a key component of the capital financial plan to support the Region’s pay-as-you-go approach for recurring lifecycle requirements. The following chart illustrates the impact of Niagara Region’s financial plan in terms of the debt-to-reserve ratio. The lower the ratio, the more financial flexibility that is available to respond to new requirements and the more secure Niagara Region’s overall financial position. In 2014 and 2015 significant investments in critical infrastructure were made utilizing debt.

### Outstanding Debt to Reserve Funds (per cent)



## Net Financial Assets (Net Debt)

Public Sector Accounting Standards (PSAS) require Niagara Region to distinguish between financial and physical assets. Financial assets are those assets on hand, which would provide resources to discharge liabilities or finance future operations. The difference between financial assets and liabilities, or net financial assets (net debt), is an indicator of Niagara Region's ability to finance future activities and meet its liabilities and commitments.

In 2020, Niagara Region's net debt position decreased from \$50.5 million to \$36.0 million. The Region's net debt is a result of all the financial activity that occurred in 2020 and means that the Region's financial liabilities exceed its financial assets. The decrease in net debt is a result of a higher balance of cash on hand at the end of the year due to COVID-related funding received at year-end, offset by additional debentures issued for infrastructure financing.

## Accumulated Surplus

The accumulated surplus represents the net asset position (financial assets plus non-financial assets less financial liabilities) of Niagara Region.

At Dec. 31, 2020, Niagara Region's accumulated surplus balance is \$1.9 billion (2019 - \$1.8 billion). This consists of \$1.5 billion investment in tangible capital assets (2019 - \$1.4 billion), \$283 million (2019 - \$268 million) in reserves and \$323 million (2019 - \$271 million) in unexpended capital. These balances are offset by an \$11 million operating fund deficit (2019 - \$11 million) and \$183 million (2019 - \$169 million) in unfunded liabilities.

Niagara Region's reserves of \$283 million at Dec. 31, 2020 are highlighted in the chart to the right by their designated purpose.

## Reserves

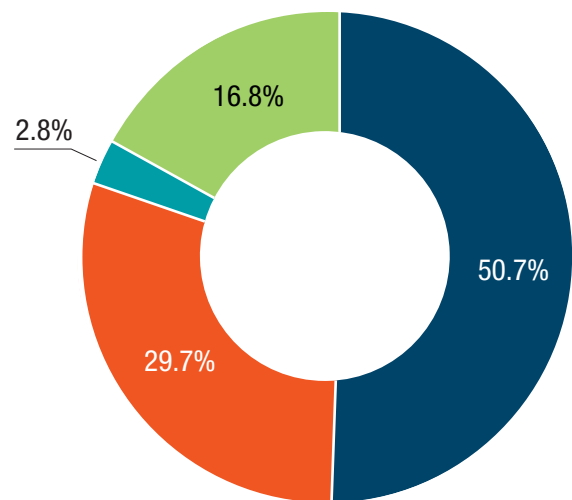
The accumulated surplus figure on the consolidated statement of financial position includes reserve funds. These reserves are managed and funds transferred to/from the funds as per Niagara Region's Reserve and Reserve Fund Policy. Reserves are to be used for specified purposes and are categorized as capital reserves, stabilization reserves, specified contribution reserves and future liability reserves.

New in 2020, Council approved the addition of a specified contribution reserve for Hospital Contribution to assist with a financial strategy for the funding of local contributions to the West Lincoln Memorial and Niagara Falls Hospital redevelopment projects.

The Reserve and Reserve Fund Policy states minimum target balances for corporate stabilization funds to be 10 per cent to 15 per cent of gross budgeted expenditures. As of Dec. 31, 2020, and taking into consideration Regional Council's approved year-end transfer recommendation, the Region's Taxpayer Relief Stabilization Reserve and the Wastewater Stabilization Reserve are both underfunded. The Water Stabilization Reserve and Waste Management Stabilization Reserve are currently within the minimum target balances noted above. The Taxpayer Relief Stabilization Reserve is seeing a temporary increase in 2020 as a result of COVID-19 related funding that was received from other levels of government subsequent to corporate mitigation and redeployment measures that were taken in-year to manage the pandemic. These funds will continue to support pandemic costs forecast for 2021 and 2022.

## Reserves

(In per cent and millions of dollars)

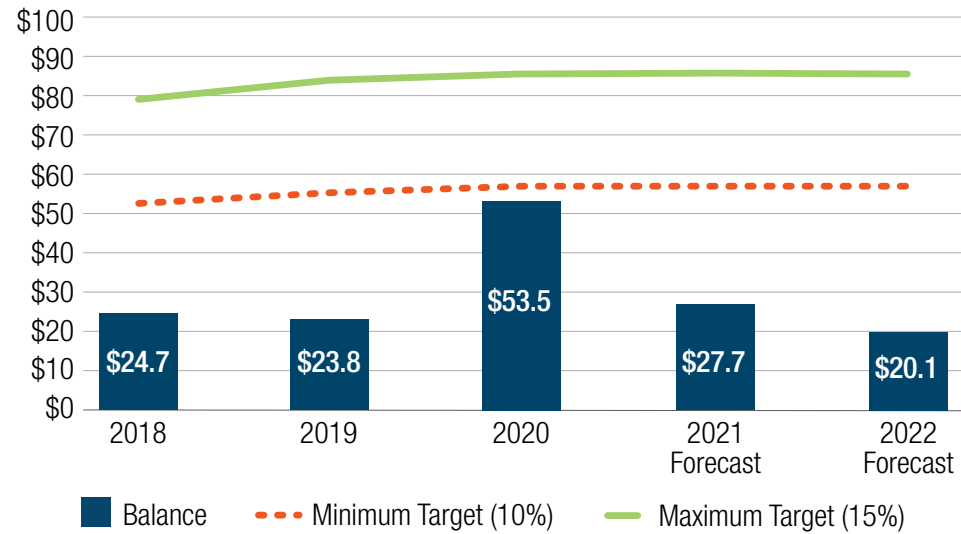


### In Millions of Dollars

Capital reserves	\$143.8	(50.7%)
Stabilization reserves	84.0	(29.7%)
Specified contribution reserves	8.0	(2.8%)
Future liability reserves	47.6	(16.8%)
<b>Total Reserves</b>	<b>\$283.4 M</b>	

## Tax Levy Stabilization\*<sup>6</sup>

(In millions of dollars)

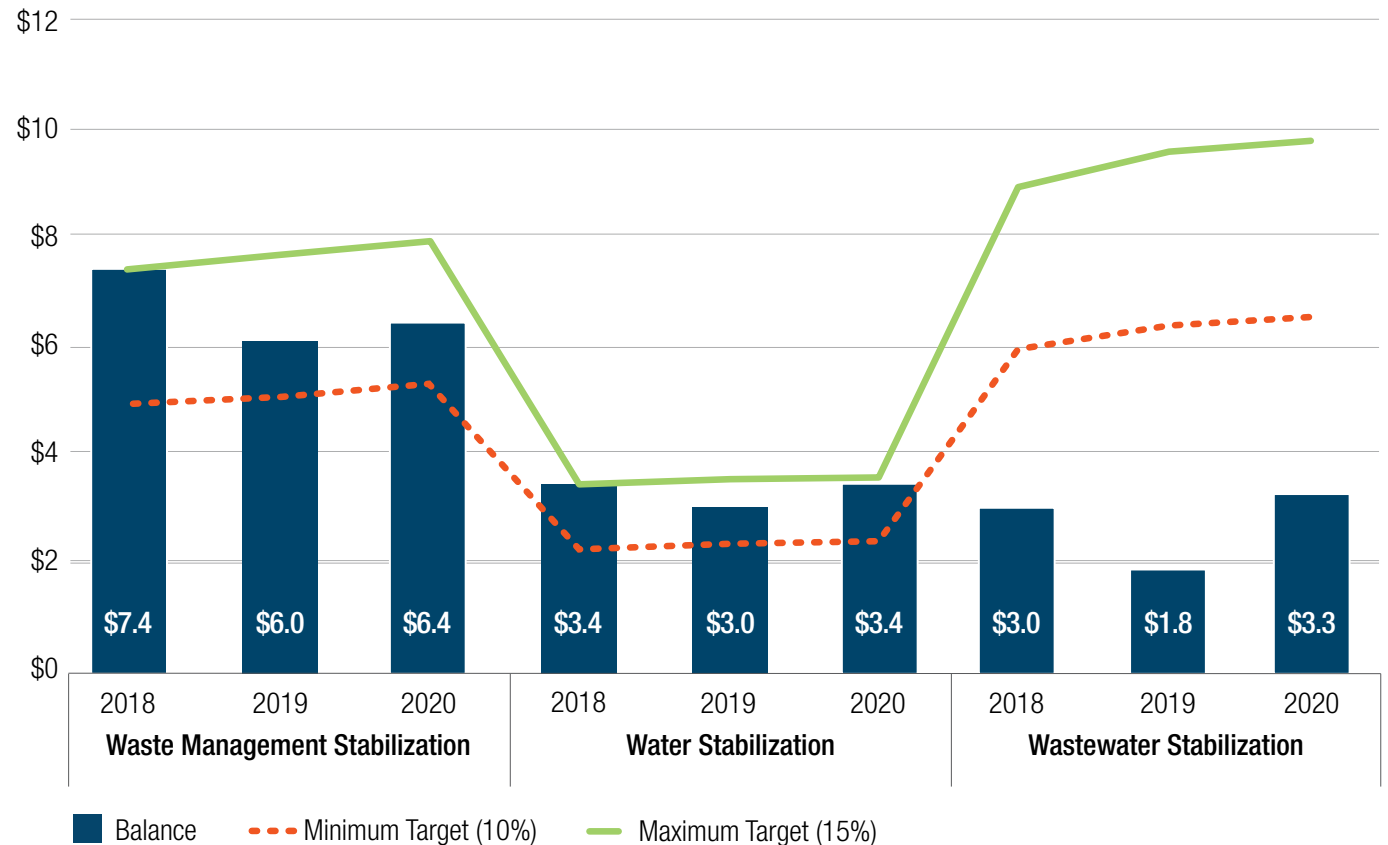


**At Dec. 31, 2020 the Tax Levy Stabilization Reserve is underfunded by a range of \$29 to \$55 million.**

<sup>6</sup> Taxpayer Relief Reserve

## Waste Management, Water and Wastewater Stabilization Reserve Balances

(In millions of dollars)





# CONSOLIDATED STATEMENT OF OPERATIONS HIGHLIGHTS

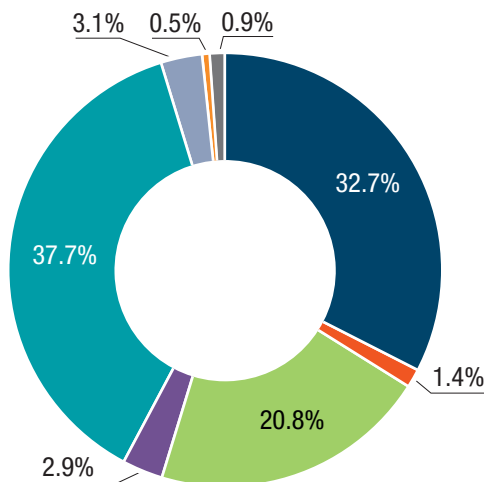
The consolidated statement of operations reports Niagara Region's change in economic resources and accumulated surplus. During the year, annual revenues exceeded expenses, resulting in a \$96.2 million (2019 - \$57.4 million) surplus in accordance with Canadian Public Sector Accounting Standards.

Compared to 2019, Niagara Region's revenues reflect an increase in taxation and user charges for the year of \$28.4 million which includes an increase of \$5.6 million for the redevelopment of two long-term care facilities, a net increase in federal, provincial and municipal grants of \$38.3 million mainly due to new funding received to offset COVID-19 costs, and an increase in other revenues of \$7.0 million.

Higher expenses in 2020 related to increased costs experienced in Health Services and Social and Family Services in particular due to the COVID-19 pandemic as a result of incremental compensation and supply costs. Expenses in Transportation Services were higher compared to the prior year as a result of additional cost-sharing and grant costs related to the purchase of buses for inter-municipal transit and the construction of a bridge transferred to the MTO, and in Environmental Services due to changes in the assumptions involved in the landfill liability which increased 2020 expenses by approximately \$6.6 million. Offsetting these increased costs were decreased costs related to a reduction in the uptake of planning and incentive grants during the year.

## Revenue By Source

(In per cent and millions of dollars)

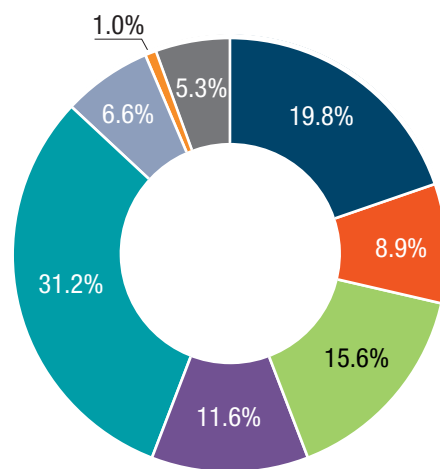


### In Millions of Dollars

Province of Ontario	\$354.2 (32.7%)
Investment income	15.3 (1.4%)
User charges	226.1 (20.8%)
Government of Canada grants	31.8 (2.9%)
Property taxpayer	409.5 (37.7%)
Development charges	33.4 (3.1%)
Court Services	5.1 (0.5%)
Other Income	9.8 (0.9%)
<b>Total Revenues</b>	<b>\$1,085.2</b>

## Expense By Function

(In per cent and millions of dollars)



### In Millions of Dollars

Protection to persons and property	\$196.1 (19.8%)
Transportation services	87.6 (8.9%)
Environmental services	154.4 (15.6%)
Health services	114.6 (11.6%)
Social and family services	308.8 (31.2%)
Social housing	64.7 (6.6%)
Planning and development	10.3 (1.0%)
General government	52.5 (5.3%)
<b>Total Expenses</b>	<b>\$989.0</b>




# 2020

# APPROVED BUDGET COMPARED TO FINANCIAL STATEMENTS

A balanced 2020 operating and capital budget was approved by Regional Council on Dec. 12, 2019.

When preparing the budget, Niagara Region considers its cash needs for the year to ensure it collects sufficient tax revenue to cover its obligations and execute its business plan. This includes budgeting for any principal debt repayments and considers required transfers to or from reserves. Conversely, Niagara Region does not budget for amortization and its annual impact on tangible capital assets, changes in employee future benefit liabilities, and changes in the solid waste landfill closure, contaminated site and post-closure costs liability, as these are primarily non-cash items.

The budget was prepared for the purpose of setting tax rates and user fees rather than a framework for presenting annual financial results. Therefore, in order to issue financial statements, Niagara Region is required to adjust its presentation of the financial results to be in accordance with Canada Public Sector Accounting Standards (PSAS). The chart on the following page identifies the components that move Niagara Region from its approved balanced budget to the Canadian PSAS financial statements presented throughout the annual report.



Niagara Parks Botanical Garden,  
Niagara Falls

## 2020 Approved Budget Compared to Financial Statements

(In millions of dollars)	Approved Budget	2020	2019
<b>Based on budget approach</b>			
Water and Wastewater (deficit) surplus	\$-	\$2.73	\$(1.68)
Waste Management (deficit) surplus	-	1.49	(1.16)
Levy surplus	-	37.31	3.45
<b>Operating surplus based on CSD 17-2021</b>	<b>-</b>	<b>41.53</b>	<b>0.61</b>
<b>Capital PSAS Adjustments</b>			
Recognize amortization	(92.33)	(92.33)	(87.19)
Recognize in year capital program revenues	58.18	58.03	45.38
Recognize capital fund expenditures resulting in operating expenses	(20.13)	(20.07)	(10.68)
Recognize operating fund expenditures resulting in capital assets	2.76	2.76	2.04
Recognize proceeds and loss on disposal of assets	(2.18)	(2.23)	(0.77)
Recognize operating funding transferred to capital program	-	-	6.19
<b>Capital subtotal</b>	<b>(53.70)</b>	<b>(53.84)</b>	<b>(45.03)</b>
<b>Funded PSAS Adjustments</b>			
Remove principle debt repayments	47.30	31.57	33.94
Remove net transfers to reserves (including interest allocation)	52.78	89.53	72.03
Remove sinking fund activity	-	0.39	0.35
<b>Funded subtotal</b>	<b>100.08</b>	<b>121.49</b>	<b>106.32</b>
<b>Unfunded PSAS Adjustments</b>			
Recognize change in landfill liability	(6.60)	(6.60)	0.12
Recognize power dams liability	-	0.42	0.42
Recognize change in unfunded employee future benefits liability	(6.19)	(6.19)	(5.04)
Recognize change in contaminated sites liability	(0.58)	(0.58)	-
<b>Unfunded Subtotal</b>	<b>(13.37)</b>	<b>(12.95)</b>	<b>(4.50)</b>
<b>Annual surplus with PSAS adjustments</b>	<b>\$33.01</b>	<b>\$96.23</b>	<b>\$57.40</b>

## AUDIT COMMITTEE

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Niagara Region's Audit Committee is responsible for ensuring that:

- Annual consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards and referred to Regional Council for approval;
- Systems of internal control over financial reporting operate effectively and are used to ensure compliance with legal, regulatory and ethical requirements;
- The external audit function is used effectively and issues identified are addressed

The Audit Committee evaluates the external auditor based on qualifications, independence, scope of the audit, timing of the audit and fees. The Audit Committee recommends the replacement, reappointment and/or appointment of the external auditors to Regional Council.

## FINANCIAL MANAGEMENT AND CONTROL

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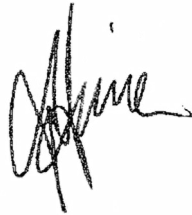
Niagara Region maintains a system of internal controls designed to safeguard assets and ensure transactions are properly authorized and recorded in compliance with legislative and regulatory requirements. The financial management and control systems of Niagara Region are governed by various by-laws, policies and procedures. Niagara Region's systems of internal controls are monitored and evaluated by management and are subject to independent audit.

Niagara Region has been consistently making improvements to the financial reports within the new system implemented in 2016, which has enhanced decision making and the financial reporting environment. Niagara Region did not receive any management letter points for improvements in relation to the 2020 financial statement audit. This was the fourth consecutive year in which no management letter was issued.

## CONCLUSION

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Providing service to 481,907 residents in an ever-changing economy requires proactive financial management and a strong control framework. Achieving a balance between providing the programs and services residents have come to rely upon, ensuring they can afford to pay for them and making sure we have funds to support future infrastructure and program needs will continue to drive the financial strategies of Niagara Region. We are committed to providing high standards of fiscal excellence at Niagara Region.



Todd Harrison,  
Commissioner of Corporate Services/Treasurer  
May 28, 2021



## SECTION 2

# FINANCIAL STATEMENTS

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Sunset over Lake Ontario at the end  
of George Nicholson Memorial Trail  
in Port Weller, St. Catharines

Prepared by Corporate Services  
Department and the office of the  
Chief Administration Officer

# THE REGIONAL MUNICIPALITY OF NIAGARA

## MANAGEMENT'S REPORT

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The accompanying consolidated financial statements of The Regional Municipality of Niagara (the "Region") are the responsibility of the Region's management and have been prepared in accordance with Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Region's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the Region. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Region's consolidated financial statements.



Todd Harrison,

Commissioner of Corporate Services/Treasurer

May 28, 2021

## Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of  
the Regional Municipality of Niagara

### Opinion

We have audited the consolidated financial statements of Regional Municipality of Niagara (the "Region"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations and changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Region as at December 31, 2020, and the results of its operations, 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 ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Region 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 Region'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 Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Region'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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Region'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 Region'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 Region 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Region to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
May 28, 2021



# THE REGIONAL MUNICIPALITY OF NIAGARA

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2020 (In thousands of dollars)

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash	\$ 224,114	\$ 135,681
Investments (note 2)	658,015	635,596
Accounts receivable (note 3)	78,204	80,140
Other assets	948	417
Tangible capital assets held for sale (note 4)	850	1,760
Debt recoverable from others (note 9)	324,254	316,419
	<b>1,286,385</b>	<b>1,170,013</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	157,970	129,782
Employee future benefits and post-employment liabilities (note 5)	116,148	109,462
Deferred revenue (note 6)	235,356	219,750
Landfill closure and post-closure liability (note 7)	67,872	61,277
Contaminated sites liability (note 8)	576	-
Long-term liabilities (note 9)	740,201	695,904
Capital lease obligation (note 10)	4,262	4,352
	<b>1,322,385</b>	<b>1,220,527</b>
Net debt	<b>(36,000)</b>	<b>(50,514)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 11)	1,903,743	1,823,929
Inventory	8,485	7,498
Prepaid expenses	19,522	18,609
	<b>1,931,750</b>	<b>1,850,036</b>
Accumulated surplus (note 12)	<b>\$ 1,895,750</b>	<b>\$ 1,799,522</b>

The accompanying notes are an integral part of these consolidated financial statements.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 2020 (In thousands of dollars)

	2020 Budget (note 20)	2020 Actual	2019 Actual
<b>REVENUES (Note 19)</b>			
Taxation and user charges:			
Levies on area municipalities	\$ 409,634	\$ 409,551	\$ 383,481
User charges	238,150	226,068	223,723
	647,784	635,619	607,204
Government transfers (note 18):			
Government of Canada	31,591	31,841	26,637
Province of Ontario	315,372	354,193	320,866
Other municipalities	397	640	861
	347,360	386,674	348,364
Other:			
Development charges earned	40,863	33,428	19,814
Investment income	18,362	15,343	18,176
Provincial offences	10,612	5,068	7,025
Miscellaneous	6,978	9,136	8,710
	76,815	62,975	53,725
<b>Total revenues</b>	<b>1,071,959</b>	<b>1,085,268</b>	<b>1,009,293</b>
<b>EXPENSES (Note 19)</b>			
General government	55,245	52,542	42,053
Protection to persons and property	203,445	196,100	192,662
Transportation services	104,538	87,555	72,933
Environmental services	174,209	154,424	150,408
Health services	108,124	114,626	107,966
Social and family services	303,664	308,768	302,631
Social housing	67,220	64,707	63,964
Planning and development	22,502	10,318	19,280
<b>Total expenses</b>	<b>1,038,947</b>	<b>989,040</b>	<b>951,897</b>
Annual surplus	33,012	96,228	57,396
Accumulated surplus, beginning of year	1,799,522	1,799,522	1,742,126
Accumulated surplus, end of year	\$ 1,832,534	\$ 1,895,750	\$ 1,799,522

The accompanying notes are an integral part of these consolidated financial statements.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the year ended December 31, 2020 (In thousands of dollars)

	2020 Budget (note 20)	2020 Actual	2019 Actual
<b>Annual surplus</b>	\$ 33,012	\$ 96,228	\$ 57,396
Acquisition of tangible capital assets	(172,451)	(172,451)	(158,046)
Contributed tangible capital assets	(951)	(951)	(142)
Transfers (to) from tangible capital assets held for sale	(910)	(910)	1,004
Amortization of tangible capital assets	92,331	92,331	87,189
Loss on sale of tangible capital assets	1,973	1,973	197
Net proceeds on sale of tangible capital assets	194	194	568
Write down on tangible capital assets held for sale	-	-	418
Change in inventory	-	(987)	(138)
Change in prepaid expenses	-	(913)	2,227
Change in net debt	(46,802)	14,514	(9,327)
Net debt, beginning of year	(41,187)	(50,514)	(41,187)
<b>Net debt, end of year</b>	\$ (87,989)	\$ (36,000)	\$ (50,514)

The accompanying notes are an integral part of these consolidated financial statements.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2020 (In thousands of dollars)

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 96,228	\$ 57,396
Items not involving cash:		
Amortization of tangible capital assets	92,331	87,189
Loss on sale of tangible capital assets	1,973	197
Contributed tangible capital assets	(951)	(142)
Write down on tangible capital assets held for sale	-	418
Change in employee future benefits and post-employment liabilities	6,686	5,041
Change in landfill closure and post-closure liability	6,595	(120)
Change in contaminated sites liability	576	-
Change in non-cash assets and liabilities:		
Accounts receivable	1,936	573
Other assets	(531)	(88)
Accounts payable and accrued liabilities	28,188	15,587
Deferred revenue	15,606	41,430
Inventory	(987)	(138)
Prepaid expenses	(913)	2,227
Net change in cash from operating activities	246,737	209,570
<b>CAPITAL ACTIVITIES</b>		
Net proceeds on sale of tangible capital assets	194	568
Acquisition of tangible capital assets	(172,451)	(158,046)
Net change in cash from capital activities	(172,257)	(157,478)
<b>INVESTING ACTIVITIES</b>		
Proceeds on sale of investments	2,589	137,880
Purchase of investments	(25,008)	(188,056)
Net change in cash from investing activities	(22,419)	(50,176)
<b>FINANCING ACTIVITIES</b>		
Capital lease acquired	-	6,379
Capital lease payments	(90)	(2,027)
Proceeds on debt issued and assumed	69,966	58,263
Long-term debt repaid	(31,573)	(33,936)
Increase in sinking fund assets	(1,931)	(1,816)
Net change in cash from financing activities	36,372	26,863
Net change in cash	88,433	28,779
Cash, beginning of year	135,681	106,902
<b>Cash, end of year</b>	<b>\$ 224,134</b>	<b>\$ 135,681</b>
Cash paid for interest	\$ 13,781	\$ 13,380
Cash received from interest	16,920	20,066
Investing and financing activities on behalf of others:		
Debt issued on behalf of others	38,668	39,412
Repayment made on behalf of others	\$ 30,833	\$ 28,677

The accompanying notes are an integral part of these consolidated financial statements.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 1. Significant accounting policies:

The Regional Municipality of Niagara (the “Region”) is an upper-tier municipality in the Province of Ontario (the “Province”), Canada. The provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation guide its operations.

The consolidated financial statements of The Regional Municipality of Niagara are prepared by management in accordance with Canadian public sector accounting standards (“PSAS”) as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada (“CPA Canada”). Significant accounting policies adopted by the Region are as follows:

a) Basis of consolidation:

i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Region and which are owned or controlled by the Region. These entities and organizations include:

Niagara Regional Police Services

Niagara Regional Housing

Court Services Operations

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

ii) Trust funds:

Trust funds and their related operations administered by the Region are not included in these consolidated financial statements.

b) Basis of accounting:

The Region follows the accrual method of accounting for revenues and expenses. 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/or the creation of a legal obligation to pay.

c) Investments:

Investments consist of bonds and money market notes and are stated at the lower of cost and market value. Gains and losses on investments are recorded when incurred.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 1. Significant accounting policies (continued):

#### (d) Non-financial assets:

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

#### (i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Landfill and land improvements	3 – 50
Building and building improvements	3 – 60
Vehicles, machinery and equipment	- Vehicles 3 – 20
	- Machinery and equipment 3 – 60
Water and wastewater infrastructure	25 – 100
Roads infrastructure	- Base 40
	- Bridge and culvert 60
	- Surface 10
	- Other infrastructure 5 - 40

Landfill sites are amortized using the units of production method based upon capacity used during the year.

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction (work in progress) are not amortized until the asset is in service.

#### (ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

#### (iii) Intangible assets:

Intangible assets and natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

#### (iv) Interest capitalization:

The Region's tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of a tangible capital asset.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 1. Significant accounting policies (continued):

(e) Non-financial assets (continued):

(v) Leases:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vi) Inventories:

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(f) Reserves and reserve funds:

Certain amounts, as approved by Regional Council are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective reserve when approved. Reserves are presented on the consolidated statement of financial position in accumulated surplus.

(g) Government transfers:

Government transfers are recognized as revenue in the consolidated 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.

(h) Deferred revenue:

Deferred revenues represent development charges collected under the Development Charges Act (1997), grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts are recognized as revenues in the fiscal year the services are performed.

(i) Taxation revenue:

Property tax revenue is recognized on an accrual basis when the tax is authorized by the passing of the tax levy by-law. Taxes are levied on properties listed on the assessment roll at the time the by-law is passed based on approved budget and tax rates. Supplementary taxation is recognized as additional billings are issued for properties that are added to the assessment roll during the year.

At year end, the Region evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognizes the liability if the amount can be reasonably estimated.

(j) Investment income:

Investment income earned on surplus current fund, capital fund, reserves and reserve funds (other than obligatory reserve funds which are comprised of development charges and gas tax), are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the applicable fund balance and forms part of the deferred development charge and gas tax balances.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 1. Significant accounting policies (continued):

#### (k) Municipal cost-sharing:

The Region acts as an intermediary to administer capital projects for the acquisition of assets belonging to local area municipalities. Funding received and expenses incurred relating to the local area municipalities share of these projects amounted to \$6,472 (2019 \$4,886) and is not reflected in these consolidated financial statements.

#### (l) Tangible capital assets held for sale:

Tangible capital assets which meet the criteria for financial assets are reclassified as “tangible capital assets held for sale” on the consolidated statement of financial position. Tangible capital assets held for sale are recorded at the lower of cost and net realizable value.

Tangible capital assets held for sale are reasonably anticipated to be sold to a purchaser, external to the Region, within one year of the statement of financial position date.

#### (m) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for tax write-offs, accrued liabilities, landfill closure and post-closure liability, contaminated site liability, certain payroll liabilities and in performing actuarial valuations of employee future benefits and post-employment liabilities. Amounts recorded for amortization of tangible capital assets are based on estimates of useful service life. Actual results could differ from these estimates.

### 2. Investments:

Investments reported on the consolidated statement of financial position at the lower of cost or market have market values as follows:

	2020		2019	
	Cost	Market Value	Cost	Market Value
Investments	\$ 658,015	\$ 693,687	\$ 635,596	\$ 650,422

The Region has purchased \$3,928 (2019 - \$4,841) of its own debentures issued on behalf of itself and local area municipalities which have not been cancelled. This investment in own debentures is included in investments on the consolidated statement of financial position. The Region’s share of the gross outstanding amount of these debentures is \$32,973 (2019 - \$36,627). Coupon rates for these debentures ranged from 3.10% to 3.45%.

### 3. Accounts receivable:

Accounts receivable are reported net of a valuation allowance of \$652 (2019 - \$763).



# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

#### 4. Tangible capital assets held for sale:

During the year, the Region wrote down tangible capital assets held for sale to these assets net realizable value in the amount of \$nil (2019 – \$418). The value of write downs related to tangible capital assets held for sale is reported in the consolidated statement of operations.

#### 5. Employee future benefits and post-employment liabilities:

The Region provides certain employee benefits which will require funding in future periods. These benefits include benefits under the Workplace Safety and Insurance Board (“WSIB”) Act, sick leave, life insurance, extended health and dental benefits for early retirees.

	2020	2019
Workplace Safety & Insurance Board	\$ 51,389	\$ 48,039
Accumulated Sick Leave	10,904	11,818
Retiree benefits	36,416	35,335
Vacation pay	12,545	10,098
Other post-employment liabilities	4,894	4,172
<b>Total employee future benefits and post-employment liabilities</b>	<b>\$ 116,148</b>	<b>\$ 109,462</b>

Employee future benefits and post-employment benefits reported on the consolidated statement of financial position by entity consist of the following:

	2020	2019
Niagara Regional Police Services	\$ 63,335	\$ 61,438
Niagara Regional Housing	1,538	1,648
Niagara Region	51,275	46,376
<b>Total</b>	<b>\$ 116,148</b>	<b>\$ 109,462</b>

The Region has established reserve funds to mitigate the future impact of these obligations. These reserves were created under municipal by-law and do not meet the definition of a plan asset under PSAS PS3250 Retirement Benefits. Therefore, for the purposes of these financial statements, the plans are considered unfunded. These reserve funds are presented in the consolidated statement of financial position within accumulated surplus. Reserves relating to these liabilities are summarized by entity below:

	2020	2019
Niagara Regional Police Services	\$ 8,982	\$ 9,101
Niagara Regional Housing	793	793
Niagara Region	24,551	24,695
<b>Total (Note 12)</b>	<b>\$ 34,326</b>	<b>\$ 34,589</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 5. Employee future benefits and post-employment liabilities (continued):

Information about the Region's benefit plans is as follows:

	2020			Total
	Niagara Regional Police	Niagara Regional Housing	Niagara Region	
Accrued benefit obligation:				
Balance, beginning of year	\$ 66,424	\$ 480	\$ 55,361	\$ 122,265
Current benefit cost	3,948	(9)	7,702	11,641
Interest	2,322	5	1,680	4,007
Benefits paid	(5,596)	(15)	(5,157)	(10,768)
Balance, end of year	67,098	461	59,586	127,145
Unamortized actuarial (loss) gain	(3,763)	1,077	(8,311)	(10,997)
Liability	\$ 63,335	\$ 1,538	\$ 51,275	\$ 116,148

	2019			Total
	Niagara Regional Police	Niagara Regional Housing	Niagara Region	
Accrued benefit obligation:				
Balance, beginning of year	\$ 65,513	\$ 460	\$ 52,454	\$ 118,427
Current benefit cost	5,075	42	6,367	11,484
Interest	2,302	6	1,610	3,918
Benefits paid	(6,466)	(28)	(5,070)	(11,564)
Balance, end of year	66,424	480	55,361	122,265
Unamortized actuarial (loss) gain	(4,986)	1,168	(8,985)	(12,803)
Liability	\$ 61,438	\$ 1,648	\$ 46,376	\$ 109,462

Included in expenses is \$1,806 (2019 - \$1,202) for amortization of the actuarial gain. The unamortized actuarial gain (loss) is amortized over the expected average remaining service life as listed below:

Accumulated Sick Leave Benefit Plan entitlements	6 - 12 years
Retiree benefits	16 - 21 years
WSIB	11 years

The most recent actuarial valuation was completed as at December 31, 2018 with estimates to December 31, 2021.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 5. Employee future benefits and post-employment liabilities (continued):

#### **Workplace Safety and Insurance Board (“WSIB”)**

With respect to responsibilities under provisions of the Workplace Safety and Insurance Act the Region has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities of the Region under the provisions of the Workplace Safety and Insurance Act has been completed and forms the basis for the estimated liability reported in these financial statements.

The unamortized actuarial gain on future payments required to WSIB is amortized over the expected period of the liability which is 11 years.

The main actuarial assumptions employed for the valuation are as follows:

#### Discount rate

The obligation of the present value of future liabilities as at December 31, 2020 and the expense for the year ended December 31, 2020, were determined using a discount rate of 3.75% (2019 – 3.75%).

#### Administration costs

Administration costs were assumed to be 32% (2019 – 32%) of the compensation expense.

#### Compensation expense

Compensation costs include loss of earnings benefits, health care costs and non-economic loss awards, were assumed to increase at a rate of 2% per annum (2019 – 2.0%).

#### **Accumulated sick leave**

Under the accumulated sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the Region’s employment.

The main actuarial assumptions employed for the valuation are as follows:

#### Discount rate

The obligation as at December 31, 2020, of the present value of future liabilities and the expense for the year ended December 31, 2020, were determined using a discount rate of 3.75% (2019 – 3.75%).

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 5. Employee future benefits and post-employment liabilities (continued):

#### ***Retiree benefits***

The Region pays certain life insurance benefits on behalf of retired employees as well as extended health and dental benefits for early retirees to age 65 and Health Care Spending Accounts for certain retirees until the age of 70 or 75 depending on year of retirement. The Region recognizes these post-retirement costs in the period in which the employees rendered the services.

The unamortized actuarial loss on retiree benefits is amortized over the expected average remaining service life of 10 years.

The main actuarial assumptions employed for the valuations are as follows:

#### Discount rate

The obligation as at December 31, 2020, of the present value of future liabilities and the expense for the year ended December 31, 2020, were determined using a discount rate of 3.75% (2019 - 3.75%).

#### Medical costs

Medical costs were assumed to increase at the rate of 3.42% (2019 – 3.42%) per year, reducing to 2.75% in 2022 and thereafter.

#### Dental costs

Dental costs were assumed to increase at the rate of 2.75% (2019 – 2.75%) per year.

#### Inflation

Inflation was assumed to be 1.75% (2019 – 1.75%) per year.

#### **Other pension plans**

The Region makes contributions to the Ontario Municipal Employees Retirement Fund (“OMERS”), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Region accounts for its participation in OMERS as a defined contribution plan. The OMERS Plan ended 2020 with a funding deficit of \$3.2 billion (2019 - \$3.4 billion). The funded ratio remained unchanged at 97% in 2020, and has either stayed the same or increased for the eighth consecutive year.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 5. Employee future benefits and post-employment liabilities (continued):

#### Other pension plans (continued)

The amount contributed to OMERS for 2020 was \$32,270 (2019 - \$31,292) for current service and is included as an expense on the consolidated statement of operations. Employees' contribution to OMERS in 2020 were \$32,226 (2019 - \$31,259).

Contributions for employees with a normal retirement age of 65 were being made at rate of 9.0% (2019 – 9.0%) for earnings up to the yearly maximum pensionable earnings of \$58.70 (2019 - \$57.40) and at a rate of 14.6% (2019 – 14.6%) for earnings greater than the yearly maximum pensionable earnings. For uniformed police officers with a normal retirement age of 60, those rates were 9.2% (2019 - 9.2%) and 15.8% (2019 - 15.8%) respectively.

### 6. Deferred revenue:

In accordance with PSAS, obligatory reserve funds are reported as deferred revenue. The Region treats development charges and gas tax as obligatory reserve funds. The Region has obligatory reserve funds in the amount of \$205,339 (2019 - \$198,142). These reserve funds are considered obligatory as Provincial and Federal legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

Amounts related to development charges collected are recognized as revenue when the Region has approved and incurred the expenses for the capital works for which the development charges were raised. These funds have been set aside, as required by the Development Charges Act (1997), to defray the cost of growth related capital projects associated with new development.

In 2008, Investing in Ontario approved a total funding of \$20,157 for capital infrastructure. Revenue is recognized as expenses are incurred. The remaining balance of \$10,617 has been set aside for the construction of the South Niagara East-West Corridor.

The deferred revenues, reported on the consolidated statement of financial position, are comprised of the following:

	2020	2019
Development charges	\$ 176,297	\$ 163,141
Gas tax	29,042	35,001
Obligatory reserve funds	205,339	198,142
Investing in Ontario Grant	10,617	10,617
Other deferred revenue	19,400	10,991
Balance, end of year	\$ 235,356	\$ 219,750

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 6. Deferred revenue (continued):

The continuity of obligatory reserve funds are summarized below:

Development charges:

	2020	2019
Balance, beginning of year	\$ 163,141	\$ 134,530
Externally restricted inflows	42,126	45,478
Revenue earned	(33,428)	(19,814)
Investment income	4,458	2,947
Balance, end of year	\$ 176,297	\$ 163,141

Gas tax:

	2020	2019
Balance, beginning of year	\$ 35,001	\$ 20,232
Externally restricted inflows	14,443	28,344
Revenue earned	(21,243)	(14,121)
Investment income	841	546
Balance, end of year	\$ 29,042	\$ 35,001

### 7. Landfill closure and post-closure liability:

The Region owns and monitors 14 landfill sites, two of which are open and operating. The liability for closure of operational sites and post-closure care has been recognized based upon the usage of the site's capacity during the year. Landfill closure and post-closure care are activities that are expected to occur in perpetuity and requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance.

The costs were based upon the 2020 budget and inflation adjusted at a rate of 1.75% per annum (2019 – 1.75%) until the end of contamination. These costs were then discounted to December 31, 2020 using a discount rate of 3.40% (2019 – 3.75%). Post-closure care is estimated to be required for the contaminating lifespan of landfill sites up to 40 years (2019 – 40 years). The liability for closure and post-closure care as at December 31, 2020 is \$67,872 (2019 - \$61,277). Estimated total expenditures for closure and post-closure care are \$77,776 (2019 - \$71,419). The liability remaining to be recognized is \$9,904 (2019 - \$10,142). It is estimated that the life of open landfill sites range from 30 to 45 years with an estimated total remaining capacity of 3,220 thousand cubic meters (2019 - 3,285 thousand cubic meters).

The Region has a landfill reserve which is dedicated for costs relating to settling closure and post-closure care liabilities. As of December 31, 2020 the reserve balance is \$10,820 (2019 - \$8,205).

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 8. Contaminated site liability:

A liability for the remediation of contaminated sites is recognized as the best estimate of the amount required to remediate the contaminated sites when the following criteria are met: contamination exceeding an environmental standard exists, the Region is either directly responsible or accepts responsibility for the remediation, it is expected that the future economic benefit will be given up, and a reasonable estimate of the amount is determinable. If the likelihood of the Region's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

As at December 31, 2020 the Region has recognized a liability for contaminated sites of \$576 (2019 - \$nil) in the consolidated financial statements. The liability was estimated by management based on the estimated costs required to remediate the contamination. These estimated costs include consultant fees, lab analyses costs, excavation costs, and disposal costs. The remediation is planned to occur in 2024 and is subject to Council approval.

### 9. Net long-term liabilities:

- (a) As well as incurring long-term liabilities for regional purposes, the Region also incurs long-term liabilities on behalf of the area municipalities. The responsibility for raising the amounts required to service this debt lies with the respective area municipalities.

The balance of net long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2020	2019
Long-term liabilities incurred by the Region	\$ 758,658	\$ 712,170
Less: Sinking fund assets	(18,457)	(16,266)
Long-term debt	\$ 740,201	\$ 695,904
Debt recoverable from others net of sinking fund assets (long-term liabilities incurred by the Region for which other entities have assumed responsibility)	(324,254)	(316,419)
Net long-term debt, end of year	\$ 415,947	\$ 379,485

- (b) The long-term liabilities in (a) issued in the name of the Region have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs.
- (c) The Region issued sinking fund debentures of \$78,079 payable on June 30, 2040 and bearing interest at the rate of 5.2% per annum. The sinking fund debentures are included in long-term liabilities in (a) and include \$9,333 borrowed on behalf of the City of St. Catharines and shown as debt recoverable from others. The City of St. Catharines share of the sinking fund assets have been removed from the debt recoverable from others in (a). Annual principal payments into the sinking fund of \$1,512 are due June 30 of each year. These payments are reflected as principal repayments in (e).

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 9. Net long-term liabilities (continued):

(d) The Region is contingently liable for long-term liabilities with respect to debt issued for area municipalities, school boards, tile drainage and shoreline property assistance. The total amount outstanding as at December 31, 2020 is \$324,254 (2019 - \$316,419) and is reported on the consolidated statement of financial position as debt recoverable from others.

(e) Principal payments to be funded by the Region, including sinking fund payments, due in each of the next five years are as follows:

	2020
2021	\$ 30,863
2022	30,621
2023	30,251
2024	27,539
2025	25,389
Thereafter	271,284
	<b>\$ 415,947</b>

Total interest on net long-term liabilities which are reported on the consolidated statement of operations amounted to \$13,571 in 2020 (2019 - \$13,336). The long-term liabilities bear interest at rates ranging from 0.55% to 4.65%. The interest on long-term liabilities assumed by the municipalities or by individuals in the case of tile drainage and shoreline property assistance loans are not reflected in these consolidated financial statements.



# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 10. Capital lease obligation:

In 2017, the Region entered into a lease agreement for the construction of land and building in Niagara Falls to be used for Public Health. Upon completion of the construction in 2019, the Region has accounted for the obligation as a capital lease. The amount of the obligation is calculated as the present value of payments required under the terms of the agreement. The discount rate used by the Region in determining the present value of the lease payments is 3.75%.

The payments under the lease agreement began in 2019 and the agreement requires monthly lease payments over a period of 30 years until 2049 in addition to balloon payment required in 2029.

Future annual lease payments under the agreement are as follows:

	2020
2021	\$ 216
2022	216
2023	216
2024	216
2025	216
Thereafter	6,010
Total minimum lease payments	\$ 7,090
Less: amount representing implicit interest at 3.75%	(2,828)
Capital lease obligation	\$ 4,262

In 2020, interest of \$126 (2019 - \$95) relating to the capital lease obligation has been reported in the consolidated statement of operations.

The cost of the leased tangible capital assets at December 31, 2020 is \$6,379 (Land - \$800, Building - \$5,579) and accumulated amortization of leased tangible capital assets at December 31, 2020 is \$209 (2019 - \$69). Amortization of the building is calculated using the straight line method for a period of 40 years.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 11. Tangible capital assets:

	2020							
	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Work in progress	Total
<b>Cost</b>								
Balance, beginning of year	\$ 223,666	\$ 104,590	\$ 807,799	\$ 639,171	\$ 372,599	\$ 824,241	\$ 179,385	\$ 3,151,451
Additions/transfers	6,106	6,178	31,722	64,363	26,266	60,323	(21,556)	173,402
Reclassification of assets previously held for sale	1,323	-	103	-	-	-	-	1,426
Disposals	(498)	(1,854)	(4,026)	(19,939)	(29)	(9,399)	-	(35,745)
<b>Balance, end of year</b>	<b>230,597</b>	<b>108,914</b>	<b>835,598</b>	<b>683,595</b>	<b>398,836</b>	<b>875,165</b>	<b>157,829</b>	<b>3,290,534</b>
<b>Accumulated Amortization</b>								
Balance, beginning of year	-	55,627	383,442	428,923	87,654	371,876	-	1,327,522
Disposals	-	(1,782)	(3,755)	(19,680)	(22)	(7,823)	-	(33,062)
Amortization expense	-	3,826	24,796	31,568	5,607	26,534	-	92,331
<b>Balance, end of year</b>	<b>-</b>	<b>57,671</b>	<b>404,483</b>	<b>440,811</b>	<b>93,239</b>	<b>390,587</b>	<b>-</b>	<b>1,386,791</b>
<b>Net Book Value, end of year</b>	<b>\$ 230,597</b>	<b>\$ 51,243</b>	<b>\$ 431,115</b>	<b>\$ 242,784</b>	<b>\$ 305,597</b>	<b>\$ 484,578</b>	<b>\$ 157,829</b>	<b>\$ 1,903,743</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 11. Tangible capital assets (continued):

	2019							
	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Work in progress	Total
<b>Cost</b>								
Balance, beginning of year	\$ 223,572	\$ 101,046	\$ 773,995	\$ 627,622	\$ 355,448	\$ 781,767	\$ 148,601	\$ 3,012,051
Additions/transfers	1,526	5,300	38,050	18,441	17,151	46,936	30,784	158,188
Disposals	(1,432)	(1,756)	(4,246)	(6,892)	-	(4,462)	-	(18,788)
<b>Balance, end of year</b>	<b>223,666</b>	<b>104,590</b>	<b>807,799</b>	<b>639,171</b>	<b>372,599</b>	<b>824,241</b>	<b>179,385</b>	<b>3,151,451</b>
<b>Accumulated Amortization</b>								
Balance, beginning of year	-	53,869	363,510	403,820	82,372	353,363	-	1,256,934
Disposals	-	(1,747)	(4,073)	(5,438)	-	(5,343)	-	(16,601)
Amortization expense	-	3,505	24,005	30,541	5,282	23,856	-	87,189
<b>Balance, end of year</b>	<b>-</b>	<b>55,627</b>	<b>383,442</b>	<b>428,923</b>	<b>87,654</b>	<b>371,876</b>	<b>-</b>	<b>1,327,522</b>
<b>Net Book Value, end of year</b>	<b>\$ 223,666</b>	<b>\$ 48,963</b>	<b>\$ 424,357</b>	<b>\$ 210,248</b>	<b>\$ 284,945</b>	<b>\$ 452,365</b>	<b>\$ 179,385</b>	<b>\$ 1,823,929</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 11. Tangible capital assets (continued):

(a) Work in progress

Work in progress of \$157,829 (2019 - \$179,385) has not been amortized. Amortization of these assets will commence when the asset is put into service. Included in work in progress at December 31, 2020 is \$13,687 (2019 - \$13,687) related to the Region's contribution toward the construction of the 2022 Canada Summer Games infrastructure. The Region also has an additional commitment of \$6,350 to this project and plans to fund 68% of the total contribution with federal gas tax revenue.

(b) Contributed tangible capital assets

Contributed capital assets are recognized at fair market value at the date of contribution. Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned. The value of contributed assets transferred to the Region during the year is \$951 (2019 - \$142).

(c) Works of art and historical treasures

No works of art or historical treasures are held by the Region.

(d) Write-downs of tangible capital assets

The Region had \$nil write-downs (2019 - \$nil) of tangible capital assets during the year.

The value of write-downs related to tangible capital assets is reported in the consolidated statement of operations.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 12. Accumulated Surplus:

Accumulated surplus consists of balances as follows:

	2020	2019
Surplus:		
Invested in tangible capital assets	\$ 1,483,534	\$ 1,440,091
Capital fund – unexpended capital financing	322,541	271,407
Operating fund	(10,987)	(10,886)
Unfunded		
Landfill closure and post-closure liability	(67,872)	(61,277)
Contaminated sites	(576)	-
Employee future benefits and post-employment liabilities	(114,339)	(108,148)
Total surplus	1,612,301	1,531,187
Reserves set aside by Council:		
Ambulance communication	-	37
Circle route initiatives	1,383	1,383
Hospital contribution	6,600	-
Employee benefits	34,326	34,589
Encumbrances	16,275	16,377
General capital levy	19,941	15,680
Niagara Regional Housing	12,226	14,482
Court Services facilities renewal	3,210	2,876
Public liability self-insurance	2,270	2,270
Smart growth	201	201
Taxpayer relief reserve	53,509	23,757
Waste management	17,534	21,813
Wastewater	28,409	43,424
Water	75,384	81,798
Landfill liability	10,820	8,205
Other reserves	1,361	1,443
Total reserves	283,449	268,335
Total accumulated surplus	\$ 1,895,750	\$ 1,799,522

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 13. Trust funds:

Trust funds administered by the Region amounting to \$985 (2019 - \$962) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations. The financial position and activities of the trust funds are reported separately in the trust fund financial statements.

### 14. Commitments:

- (a) The Region has outstanding contractual obligations of approximately \$164,838 (2019 - \$184,243) for capital projects. These costs include holdbacks. The holdbacks related to work completed as of December 31, 2020 have been accrued. Regional council has authorized the financing of these obligations.
- (b) The Region is committed to paying principal and interest payments on provincial debentures issued to finance the properties transferred to Niagara Regional Housing from Ontario Housing Corporation. The debentures are outstanding in the amount of \$5,488 (2019 - \$7,124). Annual payments of \$1,695 (2019 - \$2,063) have been charged to current operations.
- (c) The Region enters into various service contracts and other agreements in the normal course of business, which have been approved by the appropriate level of management or by Council but which have not been reported as commitments.
- (d) Minimum annual operating lease payments:

The Region has commitments under various building, land and equipment lease agreements with minimum annual operating lease payments as follows:

	2020
2021	\$ 1,910
2022	1,464
2023	925
2024	774
2025	248
Thereafter	254
	<b>\$ 5,575</b>

### 15. Contingent liabilities:

At December 31, 2020, the Region has been named defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 16. Public Liability Insurance:

The Region has undertaken a portion of the risk for public liability as a means of achieving efficient and cost effective risk management. The Region is self-insured for public liability claims up to \$1,000 for any individual claim and \$1,000 for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these amounts up to \$25,000 per occurrence for all Public Health Units, EMS and all health operations including; care homes, seniors services, community services, homeless shelters, and police services, and \$50,000 per occurrence for all other claims.

The Region has a reserve fund for allocated self-insurance claims which as at December 31, 2020 amount to \$2,270 (2019 - \$2,270) and is reported on the consolidated statement of financial position under accumulated surplus. An amount of \$nil (2019- \$nil) has been transferred from this reserve fund in the current year.

Payments charged against operations in the current year amounted to \$4,326 (2019 - \$6,091).

### 17. Self-funded employee benefit plans:

The Region provides a group health and dental plan for certain employees and has assumed the full liability for payment of benefits under this plan.

Payments charged against operations in the current year amounted to \$18,507 (2019 - \$17,886).

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 18. Government transfers:

The government transfers reported on the consolidated statement of operations are as follows:

	Budget	2020	2019
Revenue:			
Government of Canada:			
Transportation services	\$ 18,067	\$ 18,067	\$ 10,668
Environmental services	4,470	4,470	6,164
Social and family services	1,204	1,584	1,125
Social housing	7,720	7,720	8,599
Planning and development	130	-	81
	<b>31,591</b>	<b>31,841</b>	26,637
Province of Ontario:			
General government	1,902	20,829	1,952
Protection to persons and property	9,737	9,642	9,652
Transportation services	15	70	2,031
Environmental services	693	693	1,626
Health services	66,867	72,819	64,974
Social and family services	227,189	242,099	230,206
Social housing	8,969	8,041	10,425
	<b>315,372</b>	<b>354,193</b>	320,866
Other municipalities:			
General government	69	172	542
Protection to persons and property	325	319	319
Transportation services	3	3	-
Environmental services	-	146	-
	<b>397</b>	<b>640</b>	861
<b>Total revenues</b>	<b>\$ 347,360</b>	<b>\$ 386,674</b>	<b>\$ 348,364</b>



# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 19. Segmented information:

Segmented information has been identified based upon functional areas by the Region.

The functional areas have been separately disclosed in the segmented information as follows:

(i) General government:

General government consists of the general management of the Region, including adopting by-laws and policy, levying taxes, issuing debentures and providing administrative, technical, facility management, and financial services.

(ii) Protection to persons and property:

Protection to persons and property is comprised of Police Services and Court Services. The mandate of Police Services is to ensure the safety of the lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders and enforce the law. Court Services is responsible for administering and prosecuting Provincial Offences including those committed under the Highway Traffic Act, the Compulsory Automobile Insurance Act, the Trespass to Property Act, the Liquor License Act and other provincial legislation, municipal by-laws and minor federal offences. Court Services governs all aspects of the legal prosecution process, from serving an offence notice to an accused person to conducting trials including sentencing and appeals.

(iii) Transportation services:

Transportation services is responsible for the planning, design, operation and maintenance of the roadway system, the maintenance of parks and open space, and street lights.

(iv) Environmental services:

Environmental services is responsible for the engineering and operation of the water and wastewater systems and waste management. Waste management encompasses solid waste collection and disposal and Niagara Recycling.

(v) Health services:

The Public Health Department offers a range of programs related to health services that includes protection and promotion, disease and injury prevention and also oversees the Emergency Services Division ("ESD") that encompasses both Land Ambulance ("Paramedic") Services and Land Ambulance Communications ("Dispatch") Services.

(vi) Social and family services:

The Community Services department is responsible for providing public services that sustains and supports individuals, families and communities. Programs and services are delivered through Senior Services, Children's Services, Social Assistance and Employment Opportunities and Homelessness Services and Community Engagement.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 19. Segmented information (continued):

(vii) Social housing:

Social housing is responsible for providing and advocating for secure, affordable housing in the Region.

(viii) Planning and development:

The Planning and Development department provides information to Council and the community through working with partners and community groups to support planning initiatives in the region, providing information to residents about Region programs and services. The planning and development department also supports the Region special initiatives.

Certain allocation methodologies are employed in the preparation of segmented information. Taxation and payments-in-lieu of taxes are not allocated and reported in general government and environmental services. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received are allocated to the segment for which the charge was collected.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 19. Segmented information (continued):

	2020								
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Social housing	Planning and development	Total
<b>Revenues:</b>									
Levies on area municipalities	\$ 370,730	\$ -	\$ -	\$ 38,821	\$ -	\$ -	\$ -	\$ -	\$ 409,551
User charges	436	3,880	5,222	173,494	602	25,528	15,839	1,067	226,068
Government transfers	21,001	9,961	18,140	5,309	72,819	243,683	15,761	-	386,674
Development charges earned	1,109	470	10,790	15,427	158	-	5,048	426	33,428
Investment income	15,118	-	-	-	-	-	225	-	15,343
Provincial offenses	-	5,068	-	-	-	-	-	-	5,068
Miscellaneous	855	482	968	5,639	114	545	272	261	9,136
<b>Total revenues</b>	<b>409,249</b>	<b>19,861</b>	<b>35,120</b>	<b>238,690</b>	<b>73,693</b>	<b>269,756</b>	<b>37,145</b>	<b>1,754</b>	<b>1,085,268</b>
<b>Expenses:</b>									
Salaries, wages and employee benefits	5,272	161,542	16,193	32,765	96,165	120,210	6,187	5,687	444,021
Operating expenses	24,900	17,609	23,822	86,535	14,712	80,096	19,611	1,453	268,738
External transfers	1,955	6,992	16,360	5,441	-	104,386	29,841	3,178	168,153
Debt services	13,427	-	21	-	126	-	-	-	13,574
Amortization	6,919	10,003	29,623	29,250	3,415	4,053	9,068	-	92,331
Miscellaneous	69	(46)	1,536	433	208	23	-	-	2,223
<b>Total expenses:</b>	<b>52,542</b>	<b>196,100</b>	<b>87,555</b>	<b>154,424</b>	<b>114,626</b>	<b>308,768</b>	<b>64,707</b>	<b>10,318</b>	<b>989,040</b>
<b>Annual surplus (deficit)</b>	<b>\$ 356,707</b>	<b>\$ (176,239)</b>	<b>\$ (52,435)</b>	<b>\$ 84,266</b>	<b>\$ (40,933)</b>	<b>\$ (39,012)</b>	<b>\$ (27,562)</b>	<b>\$ (8,564)</b>	<b>\$ 96,228</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 19. Segmented information (continued):

	2019								
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Social housing	Planning and development	Total
<b>Revenues:</b>									
Levies on area municipalities	\$ 348,152	-	-	\$ 35,329	-	-	-	-	\$ 383,481
User charges	746	8,119	6,680	163,353	735	27,908	15,293	889	223,723
Government transfers	2,494	9,971	12,699	7,790	64,974	231,331	19,024	81	348,364
Development charges earned	-	(4)	12,556	6,570	14	-	272	406	19,814
Investment income	17,842	-	-	-	-	-	334	-	18,176
Provincial offenses	-	7,025	-	-	-	-	-	-	7,025
Miscellaneous	1,815	835	61	4,691	74	842	388	4	8,710
<b>Total revenues</b>	<b>371,049</b>	<b>25,946</b>	<b>31,996</b>	<b>217,733</b>	<b>65,797</b>	<b>260,081</b>	<b>35,311</b>	<b>1,380</b>	<b>1,009,293</b>
<b>Expenses:</b>									
Salaries, wages and employee benefits	6,061	156,665	15,648	32,249	90,134	110,197	6,042	5,506	422,502
Operating expenses	13,784	17,728	25,133	86,358	14,793	78,421	19,876	1,849	257,942
External transfers	1,797	7,895	5,490	4,263	-	110,122	29,516	11,925	171,008
Debt services	13,230	-	26	-	-	-	-	-	13,256
Amortization	7,181	10,374	26,636	27,538	3,039	3,891	8,530	-	87,189
<b>Total expenses:</b>	<b>42,053</b>	<b>192,662</b>	<b>72,933</b>	<b>150,408</b>	<b>107,966</b>	<b>302,631</b>	<b>63,964</b>	<b>19,280</b>	<b>951,897</b>
<b>Annual surplus (deficit)</b>	<b>\$ 328,996</b>	<b>\$ (166,716)</b>	<b>\$ (40,937)</b>	<b>\$ 67,325</b>	<b>\$ (42,169)</b>	<b>\$ (42,550)</b>	<b>\$ (28,653)</b>	<b>\$ (17,900)</b>	<b>\$ 57,396</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 20. Budget data:

The budget amounts presented in these consolidated financial statements are based upon the 2020 operating and capital budgets approved by Council on December 12, 2019. The chart below reconciles the approved budget to the budget amounts reported in these consolidated financial statements. Budgets established for tangible capital asset acquisitions are on a project-oriented basis, the costs of which may be carried out over one or more years. Where amounts were budgeted for on a project-oriented basis, the budget amounts used are based on actual projects that took place during the year to reflect the same basis of accounting that was used to report the actual results. In addition, to ensure comparability of expenses, the allocation of program support costs completed for actual reporting was also applied to the budget amounts.

	Budget Amount
<b>REVENUES</b>	
Operating	
Approved budget	\$ 1,015,216
Budget Adjustments	23,900
Expenses classified as revenue	(172)
Capital:	
Development charges	31,128
Grants and subsidies	26,119
Other contributions	935
Loss on sale of tangible capital assets	(1,973)
Less:	
Transfers from reserves	(22,984)
Proceeds on sale of tangible capital assets	(210)
Total revenue	1,071,959
<b>EXPENSES</b>	
Operating	
Approved budget	\$ 1,015,216
Budget Adjustments	23,900
Expenses classified as revenue	(172)
Add:	
Capital project cost resulting in operating expenses	20,125
Amortization	92,331
Employee future benefits	6,192
Landfill liability	6,595
Contaminated sites	576
Less:	
Operating expenses resulting in tangible capital assets	(2,757)
Transfers to reserves, including capital	(75,761)
Debt principal payments	(47,298)
Total expenses	1,038,947
Annual surplus	\$ 33,012

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 21. Significant Event:

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Region in future periods.

The Region's 2020 operating budget was approved prior to the pandemic. As a response to the COVID-19 pandemic, the Region adjusted service levels and work plans and received additional government funding relating to these costs.

### 22. Contingent Liabilities:

Subsequent to December 31, 2020, on April 8, 2021, the Region executed a guarantee of the Region's portion of Southwestern Internet Fibre Technology ("SWIFT")'s revolving credit facility with TD Bank in an amount of \$2,439. The purpose of the credit facility is to fund SWIFT's obligation to pay the internet service providers who will undertake the project to expand digital infrastructure within the Region until the receipt of the funding for the project is received from the Ontario Ministry of Agriculture and Food.

### 23. Comparative figures:

Certain prior year figures have been reclassified to conform to the consolidated financial statement presentation adopted in the current year.

## Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the  
Regional Municipality of Niagara

### Opinion

We have audited the financial statements of the Sinking Funds of the Regional Municipality of Niagara (the "Region"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the sinking funds of the Region as at December 31, 2020, and the results of its operations, 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 ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Region 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 Region'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 Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Region'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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Region'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 Region'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 Region 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.

We 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
May 28, 2021



# THE REGIONAL MUNICIPALITY OF NIAGARA

## SINKING FUND STATEMENT OF FINANCIAL POSITION

As at December 31, 2020 (In thousands of dollars)

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash	\$ 2,180	\$ 228
Interest receivable	75	96
Due from operating fund	16	48
Investments (note 2)	16,202	15,941
	<b>18,473</b>	16,313
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	4	4
Sinking fund requirements		
City of St. Catharines	2,158	1,907
The Regional Municipality of Niagara	15,896	14,049
	<b>18,058</b>	15,960
Accumulated surplus and net financial assets	<b>\$ 415</b>	\$ 353

The accompanying notes are an integral part of these financial statements.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## SINKING FUND STATEMENT OF OPERATIONS AND CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2020 (In thousands of dollars)

	2020	2019
<b>REVENUES</b>		
Contributions	\$ 1,512	\$ 1,512
Investment Income	652	606
Total revenues	2,164	2,118
<b>EXPENSES</b>		
Professional fees and dues	4	3
Provision for sinking fund requirements	2,098	2,027
Total expenses	2,102	2,030
Annual Surplus	62	88
Accumulated surplus and net financial assets, beginning of year	353	265
Accumulated surplus and net financial assets, end of year	\$ 415	\$ 353

*The accompanying notes are an integral part of these financial statements.*

# THE REGIONAL MUNICIPALITY OF NIAGARA

## SINKING FUND STATEMENT OF CASH FLOWS

For the year ended December 31, 2020 (In thousands of dollars)

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 62	\$ 88
Change in non-cash assets and liabilities:		
Interest receivable	21	(31)
Due from operating fund	32	(43)
Net change in cash from operating activities	115	14
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(2,061)	(1,981)
Proceeds from the sale of investments	1,800	-
Net change in cash from investing activities	(261)	(1,981)
<b>FINANCING ACTIVITY</b>		
Increase in sinking fund requirements	2,098	2,026
Net change in cash from financing activity	2,098	2,026
Net change in cash	1,952	59
Cash, beginning of year	228	169
Cash, end of year	\$ 2,180	\$ 228

The accompanying notes are an integral part of these financial statements

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO SINKING FUND FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 1. Significant accounting policies:

The financial statements of sinking funds of The Regional Municipality of Niagara (the "Region") are the representation of management prepared in accordance with Canadian public sector accounting standards.

The sinking fund is a separate fund maintained for the purpose of providing for the repayment of all sinking fund debt when it becomes due. The Region issued sinking fund debentures of \$78,079 payable on June 30, 2040 and bearing interest at the rate of 5.2% per annum. Included in the sinking fund debenture is \$9,333 borrowed on behalf of the City of St. Catharines, representing a proportionate share of 11.95%. Annual interest payments on the sinking fund debt are \$4,060.

Significant accounting policies adopted by the Region for the sinking funds are as follows:

(a) Basis of accounting:

The Region's sinking fund follows the accrual method of accounting for revenues and expenses.

(b) Sinking fund requirements:

The requirements of the sinking fund represent the amounts required which, together with interest compounded annually, will be sufficient to retire the related debentures at maturity. The requirements were calculated using a rate of 3.5% per annum.

(d) Investment income:

Investment income is reported as revenue in the period earned.

### 2. Investments:

The investments consist of municipal bonds and are carried at cost. At December 31, 2020 the investments have a market value of \$19,691 (2019 - \$17,751)

## Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of  
the Regional Municipality of Niagara

### Opinion

We have audited the financial statements of the trust funds of the Regional Municipality of Niagara (the "Region"), which comprise the statement of financial position as at December 31, 2020, and the statements of financial activities and change in fund balance and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust funds of the Region as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Region 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 accounting standards for not-for-profit organizations, 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 Region'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 Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Region'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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Region'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 Region'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 Region 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.

We 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
May 28, 2021

# THE REGIONAL MUNICIPALITY OF NIAGARA

## TRUST FUNDS STATEMENT OF FINANCIAL POSITION

As at December 31, 2020 (In thousands of dollars)

	2020	2019
<b>ASSETS</b>		
Cash	\$ 251	\$ 244
Due from Regional Municipality of Niagara	734	718
Fund balance	\$ 985	\$ 962

*The accompanying notes are an integral part of these financial statements.*

# THE REGIONAL MUNICIPALITY OF NIAGARA

## TRUST FUNDS STATEMENT OF FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCE

For the year ended December 31, 2020 (In thousands of dollars)

	2020	2019
<b>REVENUE</b>		
Deposits from residents	\$ 245	\$ 468
Donations	201	261
	<b>446</b>	<b>729</b>
<b>EXPENSES</b>		
Expenditures for the benefit of residents	423	725
	<b>423</b>	<b>725</b>
Excess of revenues over expenses	23	4
Fund balance, beginning of year	962	958
Fund balance, end of year	\$ 985	\$ 962

*The accompanying notes are an integral part of these financial statements.*



# THE REGIONAL MUNICIPALITY OF NIAGARA

## TRUST FUNDS STATEMENT OF CASH FLOWS

For the year ended December 31, 2020 (In thousands of dollars)

	2020	2019
<b>OPERATING ACTIVITIES:</b>		
Excess of revenues over expenses	\$ 23	\$ 4
Change in non-cash assets and liabilities		
Due from Regional Municipality of Niagara	(16)	(9)
Net change in cash from operating activities	7	(5)
Cash, beginning of year	244	249
Cash, end of year	\$ 251	\$ 244

*The accompanying notes are an integral part of these financial statements.*

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 1. Significant accounting policies:

These financial statements reflect the financial position, financial operations, and cash flows of funds held in trust by The Regional Municipality of Niagara ("the Region") for residents of the eight long-term care homes:

- Gilmore Lodge
- Upper Canada Lodge
- Deer Park Villa
- Woodlands of Sunset
- Linhaven
- Rapelje Lodge
- Northland Point
- Meadows of Dorchester

These financial statements are the representation of management and are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

(a) Basis of Accounting:

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenue.

Expenses are recorded in the period the goods and services are acquired and a liability is incurred, or transfers are due.

(b) Uses of Estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

## Independent Auditor's Report

To the Board of Directors of  
Niagara Regional Housing

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Niagara Regional Housing (the "Organization"), which comprise the statement of financial position as at December 31, 2020, the statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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 PSAS, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Organization'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 Organization'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 Organization 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.

We 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
May 28, 2021

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NIAGARA REGIONAL HOUSING STATEMENT OF FINANCIAL POSITION

As at December 31, 2020 (In thousands of dollars)

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash	\$ 12,859	\$ 12,479
Investments	6,476	6,399
Accounts Receivable	4,611	4,267
	<b>23,946</b>	<b>23,145</b>
<b>FINANCIAL LIABILITIES</b>		
Due to Niagara Region	8,480	12,086
Deferred revenue (note 3)	4,779	3,789
Mortgages and debentures (note 4)	35,375	36,357
Employee future benefits (note 5)	1,538	1,648
	<b>50,172</b>	<b>53,880</b>
Net debt	<b>(26,226)</b>	<b>(30,735)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 6)	138,350	134,582
Prepaid expenses and deposits	744	719
	<b>139,094</b>	<b>135,301</b>
Commitments (note 9)		
Accumulated surplus (note 7)	<b>\$ 112,868</b>	<b>\$ 104,566</b>

The accompanying notes to the financial statements are an integral part of this financial statement.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NIAGARA REGIONAL HOUSING STATEMENT OF OPERATIONS

For the year ended December 31, 2020 (In thousands of dollars)

	2020 Budget (note 11)	2020 Actual	2019 Actual
<b>REVENUES</b>			
Rental revenue	\$ 15,489	\$ 15,840	\$ 15,293
Subsidies			
Niagara Region	42,814	42,814	38,209
Federal and Provincial Government	16,690	15,761	19,024
Investment income	145	225	335
Development Charge revenue	5,048	5,048	272
Sundry revenue	418	271	387
	<b>80,604</b>	<b>79,959</b>	<b>73,520</b>
Transferred to Niagara Region and transferred to reserves (note 8)	<b>(3,083)</b>	<b>(5,183)</b>	<b>(6,453)</b>
	<b>77,521</b>	<b>74,776</b>	<b>67,067</b>
<b>EXPENSES</b>			
Property taxes	5,156	5,181	4,966
Support services – Niagara Region	3,000	2,862	3,633
Amortization expense	9,069	9,068	8,522
Bad debts	272	147	132
Wages, salaries and benefits	5,104	4,932	4,894
Utilities	4,765	4,493	4,630
Materials and services	5,794	6,088	6,246
Interest on debenture and mortgage payments	883	926	886
Debenture payments (note 9)	1,695	1,695	2,063
Rent supplement program (note 12)	6,571	6,324	6,033
Investment in Affordable Housing (note 13)	186	303	1,537
Administration	1,361	983	691
Supplies and equipment	275	232	313
Non-profit and co-op provider subsidies	19,869	19,438	19,600
Federal provider subsidies	1,069	1,081	1,122
Social Infrastructure Fund	1,014	578	544
Ontario Priorities Housing Initiative (note 14)	903	916	159
Capital Loan and Grant Program	-	200	-
Canada-Ontario Community Housing Initiative	505	193	230
Other subsidies	1,390	807	290
Government land lease	41	27	31
	<b>68,922</b>	<b>66,474</b>	<b>66,522</b>
Annual surplus	<b>8,599</b>	<b>8,302</b>	<b>545</b>
Accumulated surplus, beginning of year	<b>104,566</b>	<b>104,566</b>	<b>104,021</b>
Accumulated surplus, end of year	<b>\$ 113,165</b>	<b>\$ 112,868</b>	<b>\$ 104,566</b>

The accompanying notes are an integral part of these consolidated financial statements.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NIAGARA REGIONAL HOUSING STATEMENT OF CHANGE IN NET DEBT

For the year ended December 31, 2020 (In thousands of dollars)

	2020 Budget (note 11)	2020 Actual	2019 Actual
<b>Annual surplus</b>	\$ 8,599	\$ 8,302	\$ 545
Acquisition of tangible capital assets	(12,836)	(12,836)	(15,605)
Amortization of tangible capital assets	9,068	9,068	8,522
Change in prepaid expenses	-	(25)	(2)
Change in net debt	4,831	4,509	(6,540)
Net debt, beginning of year	(30,735)	(30,735)	(24,195)
<b>Net debt, end of year</b>	\$ (25,904)	\$ (26,226)	\$ (30,735)

*The accompanying notes to the financial statements are an integral part of this financial statement.*

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NIAGARA REGIONAL HOUSING STATEMENT OF CASH FLOWS

For the year ended December 31, 2020 (In thousands of dollars)

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 8,302	\$ 545
Items not involving cash:		
Amortization of tangible capital assets	9,068	8,522
Employee future benefit liabilities	(110)	(90)
Change in non-cash assets and liabilities:		
Accounts receivable	(344)	(635)
Deferred revenue	990	360
Prepaid expenses	(25)	(2)
Net change in cash from operating activities	17,881	8,700
<b>CAPITAL ACTIVITY</b>		
Cash used to acquire tangible capital assets	(12,836)	(15,605)
Net change in cash from capital activity	(12,836)	(15,605)
<b>INVESTING ACTIVITY</b>		
Change in investments	(77)	(115)
Net change in cash from investing activity	(77)	(115)
<b>FINANCING ACTIVITIES</b>		
Mortgages and debentures issued	3,300	15,171
Mortgage and debenture repayments	(4,282)	(3,019)
Change in due to Niagara Region	(3,606)	307
Net change in cash from financing activities	(4,588)	12,459
Net change in cash	380	5,439
Cash, beginning of year	12,479	7,040
<b>Cash, end of year</b>	<b>\$ 12,859</b>	<b>\$ 12,479</b>
Cash paid for interest	926	887

The accompanying notes to the financial statements are an integral part of this financial statement.



# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 1. Description of operations

Niagara Regional Housing was incorporated on December 17, 2001 under the laws of the Province of Ontario to perform all the duties and powers of an administrator under Section 15 of the Social Housing Reform Act. These duties include but are not limited to ownership and management of a real estate portfolio consisting of 2,850 apartments and houses, oversight responsibilities for the administration of social housing by 59 housing providers, administration of programs for the provision of rent-geared-to-income and the power to purchase, construct or make alterations to a housing project.

### 2. Significant accounting policies:

The financial statements of Niagara Regional Housing (the "Corporation" or "NRH") are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). Significant accounting policies adopted by the Corporation are as follows:

#### (a) Accrued basis of accounting:

The Corporation follows the accrual method of accounting for revenues and expenses. Rental revenue is recognized at the time the service is provided. Other revenues are recognized when the services are earned. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services.

#### (b) Non-financial assets:

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

##### (i) Tangible capital assets:

Tangible capital assets are recorded at cost which include amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	5 – 50
Building	5 – 40
Equipment	15

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Work in progress assets are not amortized until the asset is available for productive use.

##### (ii) Interest capitalization:

The Corporation's tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of a tangible capital asset.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 2. Significant accounting policies (continued):

(b) Non-financial assets (continued):

(iii) Leases:

Leases are classified as operating or capital leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related payments are charged as expenses as incurred.

(c) Investments:

Investments consist of guaranteed investment certificates and bonds, and are stated at amortized cost.

(d) 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.

(e) Use of estimates:

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Amounts requiring significant estimates include due to Niagara Region, useful lives of tangible capital assets, and employee future benefits. Actual results could differ from these estimates.

(f) Employee future benefits:

Vacation entitlements and other compensated absences accrue to employees each year based on terms of employment contracts or by policy. Earned entitlements unused at year-end are accrued based on the wage rates for the employee at year-end.

Workplace Safety & Insurance Board ("WSIB") benefits and sick leave may accrue to employees based on terms of employee. Entitlements are accrued in accordance with the project benefit method, pro-rated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are generally performed every three years. The discount rate used to determine the accrued benefit obligation was determined by reference to the Niagara Region's short term and long-term rate of borrowing. Unamortized actuarial gains/losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to WSIB, are recorded when determined.

Cost related to prior-period employee services arising out of amendments to entitlements are recognized in the period in which the period is amended.

Where applicable, the Niagara Region has set aside Reserves intended to fund these obligations, either in full or in part. These Reserves were created under municipal by-law and do not meet the definition of a plan asset under PSAS 3250 Retirement Benefits. Therefore, for the purpose of these financial statements, the plans are considered unfunded.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 3. Deferred revenue:

Deferred revenues, reported on the statement of financial position, are made up of the following:

	2020	2019
Ministry of Municipal Affairs and Housing	\$ 4,496	\$ 3,549
Other	283	240
Balance, end of year	\$ 4,779	\$ 3,789

### 4. Mortgages and debentures:

Amounts consist of mortgages secured by the income producing properties of the Corporation. As at December 31, 2020 the unpaid balances of these mortgages and debentures are as follows:

	2020	2019
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.60% to 4.65% paid in full during the year	-	395
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.35% to 3.10% due in 2022	397	588
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.40% to 3.75% due in 2023	731	964
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 3.30% due in 2024	1,076	1,328
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.15% to 2.80% due in 2025	1,531	1,818
Debenture for Niagara Regional Housing capital program bearing interest at 2.25% due in 2025	576	684
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 2.40% due in 2026	3,467	4,010
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 2.45% due in 2027	1,225	1,387
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 2.05% to 3.15% due in 2028	5,550	6,165
Ontario Infrastructure and Lands Corporation amortization debenture for Niagara Regional Housing capital program bearing interest at 3.74% due in 2042	3,739	3,847
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 2.00% to 2.40% due in 2029	13,783	15,171
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 0.6% to 1.6% due in 2030	3,300	-
	\$ 35,375	\$ 36,357

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

#### 4. Mortgages and debentures (continued):

The annual principal payments are as follows:

2021	\$ 4,253
2022	4,333
2023	4,216
2024	4,053
2025	3,876
Thereafter	14,644
	\$ 35,375

#### 5. Employee future benefit liability:

The Corporation provides certain employee benefits which will require funding the future periods. These benefits include benefits under the Workplace Safety and Insurance Board ("WSIB") Act, sick leave, life insurance, extended health and dental benefits for early retirees.

	2020	2019
Workplace Safety & Insurance Board	\$ 1,113	\$ 1,204
Retiree benefits	92	101
Vacation pay	317	319
Other liabilities	16	24
Total employee future benefit liability	\$ 1,538	\$ 1,648

Information about the Corporation's benefit plans is as follows:

	2020	2019
Accrued benefit obligation:		
Balance, beginning of year	\$ 480	\$ 460
Current benefit cost	(9)	42
Interest	5	6
Benefits paid	(14)	(28)
Balance, end of year	462	480
Unamortized actuarial gain	1,076	1,168
Employee future benefit liability	\$ 1,538	\$ 1,648

Included in expenses is a \$92 (2019 - \$110) gain for amortization of the actuarial loss/gain.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 5. Employee future benefit liability (continued):

Information about the Corporation's retiree benefits, which are included in the overall employee future benefit liability noted above, are as follows:

	2020	2019
Accrued benefit obligation:		
Balance, beginning of year	\$ 87	\$ 92
Current benefit cost	4	4
Interest	3	3
Benefits paid	(11)	(12)
Balance, end of year	83	87
Unamortized actuarial gain	9	14
Employee future benefit liability	\$ 92	\$ 101

The most recent actuarial valuation was completed as at December 31, 2018 with estimates to December 31, 2021.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 5. Employee future benefit liability (continued):

#### ***Workplace Safety and Insurance Board (“WSIB”)***

With respect to responsibilities under provisions of the Workplace Safety and Insurance Act, the Corporation has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities of the Corporation under the provisions of the Workplace Safety and Insurance Act has been completed and forms the basis for the estimated liability reported in these financial statements.

The unamortized actuarial gain on future payments required to WSIB is amortized over the expected period of the liability which is 10 years.

The main actuarial assumptions employed for the valuation are as follows:

#### Discount rate

The obligation of the present value of future liabilities as at December 31, 2020 and the expense for the 12 months ended December 31, 2020 were determined using a discount rate of 3.75% (2019 – 3.75%).

#### Administration costs

Administration costs were assumed to be 32% (2019 – 32%) of the compensation expense.

#### Compensation expense

Compensation costs, which include loss of earnings before, health care costs and non-economic loss awards, were assumed to increase at a rate of 2.0% per annum (2019 – 2.0%).

#### ***Accumulated Sick Leave***

Under the accumulated sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the Corporation’s employment.

The main actuarial assumptions employed for the valuation are as follows:

#### Discount rate

The obligations as at December 31, 2020 of the present value of future liabilities and the expense for the 12 months ended December 31, 2020 were determined using a discount rate of 3.75% (2019 – 3.75%).

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 5. Employee future benefit liability (continued):

#### *Retiree benefits*

The Corporation pays certain life insurance benefits on behalf of retired employees, as well as extended health and dental benefits for early retirees to age 65. The Corporation recognizes these post-retirement costs in the period in which the employees rendered the services.

The unamortized actuarial gain on retiree benefits is amortized over the expected average remaining service life of 13 years.

The main actuarial assumptions employed for the valuations are as follows:

#### Discount rate

The obligation as at December 31, 2020 of the present value of future liabilities and the expense for the 12 months ended December 31, 2020 were determined using a discount rate of 3.75% (2019 - 3.75%).

#### Medical costs

Medical costs were assumed to increase at the rate of 3.42% (2019 – 3.42%) per year, reducing to 2.75% in 2022 and thereafter.

#### Dental costs

Dental costs were assumed to increase at the rate of 2.75% (2019 – 2.75%) per year.

#### Mortality table

The mortality table used in determining the obligation at December 31, 2020 is the Uninsured Pensioners 1994 with mortality improvement projections to 2030 (2019 – Uninsured Pensioners 1994 with mortality improvement projections to 2030).

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 6. Tangible capital assets:

	2020					
	Land	Land Improvements	Building	Equipment	Work in progress	Total
<b>Cost</b>						
Balance, beginning of year	\$ 36,924	\$ 7,817	\$ 172,055	\$ 4,101	\$ 3,917	\$ 224,814
Additions	-	253	5,595	354	6,634	12,836
Disposals	-	-	-	(125)	-	(125)
<b>Balance, end of year</b>	<b>36,924</b>	<b>8,070</b>	<b>177,650</b>	<b>4,330</b>	<b>10,551</b>	<b>237,525</b>
<b>Accumulated Amortization</b>						
Balance, beginning of year	-	2,072	86,233	1,927	-	90,232
Disposals	-	-	-	(125)	-	(125)
Amortization expense	-	377	8,372	319	-	9,068
<b>Balance, end of year</b>	<b>-</b>	<b>2,449</b>	<b>94,605</b>	<b>2,121</b>	<b>-</b>	<b>99,175</b>
<b>Net Book Value, end of year</b>	<b>\$ 36,924</b>	<b>\$ 5,621</b>	<b>\$ 83,045</b>	<b>\$ 2,209</b>	<b>\$ 10,551</b>	<b>\$ 138,350</b>



# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 6. Tangible capital assets (continued):

	2019					
	Land	Land Improvements	Building	Equipment	Work in progress	Total
<b>Cost</b>						
Balance, beginning of year	\$ 36,405	\$ 6,736	\$ 148,150	\$ 3,989	\$ 14,142	\$ 209,422
Additions	519	1,188	23,905	218	(10,225)	15,605
Disposals	-	(107)	-	(106)	-	(213)
<b>Balance, end of year</b>	<b>36,924</b>	<b>7,817</b>	<b>172,055</b>	<b>4,101</b>	<b>3,917</b>	<b>224,814</b>
<b>Accumulated Amortization</b>						
Balance, beginning of year	-	1,828	78,370	1,725	-	81,923
Disposals	-	(107)	-	(106)	-	(213)
Amortization expense	-	351	7,863	308	-	8,522
<b>Balance, end of year</b>	<b>-</b>	<b>2,072</b>	<b>86,233</b>	<b>1,927</b>	<b>-</b>	<b>90,232</b>
<b>Net Book Value, end of year</b>	<b>\$ 36,924</b>	<b>\$ 5,745</b>	<b>\$ 85,822</b>	<b>\$ 2,174</b>	<b>\$ 3,917</b>	<b>\$ 134,582</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 6. Tangible capital assets (continued):

#### (a) Work in progress

Work in progress at December 31, 2020 valued at \$10,551 (2019 - \$3,917) have not been amortized. Amortization of these assets will commence when the asset is put into service.

#### (b) Contributed tangible capital assets

Contributed capital assets are recognized at fair market value at the date of contribution. Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

#### (c) Write-downs of tangible capital assets

The corporation had \$nil write-downs (2019 – \$nil) of tangible capital assets during the year.

### 7. Accumulated Surplus:

Accumulated surplus consists of individual fund surplus as follows:

	2020	2019
Invested in tangible capital assets	\$ 102,975	\$ 98,225
Capital fund – Unexpended capital financing/(unfunded capital outlay)	10,549	7,107
Contributed capital	729	729
Operating fund	153	153
Unfunded employee future benefits	(1,538)	(1,648)
<b>Total accumulated surplus</b>	<b>\$ 112,868</b>	<b>\$ 104,566</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 8. Surplus transferred to Niagara Region:

The Corporation had a current year operating surplus of \$655 (2019 – \$1,327) of which \$nil (2019 – \$1,185) has been transferred to reserves within the Niagara Region held for NRH and \$655 (2019 - \$141) has been transferred to Niagara Region operations in accordance with the Niagara Region's Surplus/Deficit Policy. In addition, \$1,149 (2019 – \$735) has been transferred to the Niagara Region encumbrance reserve.

The following represents transactions within reserves held by the Niagara Region for Niagara Regional Housing purposes:

	NRH Reserve	NRH Employee Future Benefit Reserve	NRH Owned Units Reserve	NRH Rent Supplement Reserve	2020 Total	2019 Total
Reserves held by Niagara Region, beginning of year	\$ 8,228	\$ 793	\$ 5,988	\$ 266	\$ 15,275	\$ 11,232
Transfer of year-end surplus to reserves	-	-	-	-	-	1,185
Transfer from the Reserve for capital purposes	(3,051)	-	(2,317)	-	(5,368)	(1,522)
Transfer to the Reserve for operating purposes	1,541	-	1,542	-	3,083	3,156
Transfer from the Reserve for operating purposes	(250)	-	-	(17)	(267)	(12)
Transfer to the Reserve from project closures & budget reductions	237	-	59	-	296	1,236
Reserves held by Niagara Region, end of year	\$ 6,705	\$ 793	\$ 5,272	\$ 249	\$ 13,019	\$ 15,275

### 9. Commitments:

The Corporation is committed to paying principal and interest payments on provincial debentures issued to finance the properties owned and operated by the Corporation. These debentures amount to \$5,488 (2019 - \$7,124) and payments during the year of \$1,695 (2019 – \$2,063) have been charged to current operations.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 10. Pension agreements:

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (“OMERS”), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates pay. The Corporation accounts for its participation in OMERS as a defined contribution plan. The OMERS Plan ended 2020 with a funding deficit of \$3.2 billion (2019 - \$3.4 billion). The funded ratio remained unchanged in 2020 at 97% and has either stayed the same or increased for eight consecutive years.

The amount contributed to OMERS for 2020 was \$377 (2019 - \$365) for current service and is included as an expenditure on the statement of operations. Employees' contribution to OMERS in 2020 were \$377 (2019 - \$365).

Contributions for employees with a normal retirement age of 65 were being made at rate of 9.0% (2019 – 9.0%) for earnings up to the yearly maximum pensionable earnings of \$58.70 (2019 - \$57.40) and at a rate of 14.6% (2019 – 14.6%) for earnings greater than the yearly maximum pensionable earnings.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 11. Budget data:

The budget data presented in these financial statements is based upon the 2020 operating and capital budgets approved by NRH Board on October 18, 2019. Budgets established for tangible capital asset acquisitions are on a project-oriented basis, the costs of which may be carried out over one or more years. Where amounts were budgeted for on a project-oriented basis, the budget amounts used on actual projects that took place during the year to reflect the same basis of accounting that was used to report the actual results. The chart below reconciles the approved budget to the budget figures reported in these financial statements, in accordance with PSAS.

	Budget Amount
<b>REVENUES</b>	
Operating	
Approved Operating Revenue	\$ 67,211
Capital	13,393
Less:	
Surplus transferred from Niagara Region and transferred from reserves	(3,083)
<b>Total revenue</b>	<b>77,521</b>
<b>EXPENSES</b>	
Operating	
Approved Operating Expenses	67,211
Add:	
Amortization	9,068
Expenditures included in capital fund	118
Less:	
Employee future benefits	(110)
Transfers to reserves	(3,083)
Debt principal payments	(4,282)
<b>Total expenses</b>	<b>68,922</b>
<b>Annual surplus</b>	<b>\$ 8,599</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 12. Rent supplement program:

	Budget	2020	2019
Rent supplement program	\$ 3,315	\$ 3,289	\$ 3,047
In-situ	17	20	17
Strong Communities	1,683	1,690	1,514
Investment in Affordable Housing	216	219	914
OPHI Rent Supplements	800	543	-
Social Infrastructure Fund	540	563	541
<b>Total, Rent Supplement Program</b>	<b>\$ 6,571</b>	<b>\$ 6,324</b>	<b>\$ 6,033</b>

### 13. Investment in affordable housing:

	Budget	2020	2019
New Development Subsidy	\$ -	\$ 11	\$ 98
Niagara Renovates Payment Assistance	-	97	963
Housing Allowance	186	189	296
Welcome Home Niagara Down Payment Assistance	-	6	180
<b>Total, Investment in Affordable Housing</b>	<b>\$ 186</b>	<b>\$ 303</b>	<b>\$ 1,537</b>

### 14. Ontario housing priorities initiative:

	Budget	2020	2019
Niagara Renovates	\$ 546	\$ 572	\$ 74
Housing Allowances	257	165	-
Home Ownership	100	179	85
<b>Total, Ontario Housing Priorities Initiative</b>	<b>\$ 903</b>	<b>\$ 916</b>	<b>\$ 159</b>

### 15. Risks:

#### (a) Credit risk

The Corporation is subject to credit risks from its tenants as a result of counterparty default. This risk is mitigated by prudent monitoring procedures.

#### (b) Interest rate risk

The Corporation is subject to interest rate fluctuations on its mortgages and long term debt. The Corporation current does not use any hedging strategies to mitigate this interest rate exposure.

#### (c) Market risk

Market risk arises as a result of trading in fixed income securities and equities. Fluctuations in the market expose the Corporation to a risk of loss. The Corporation mitigates this risk through cash management processes and compliance with the approved investment policy.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE NIAGARA REGIONAL HOUSING FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

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### 16. Subsequent Event – Local 175:

Subsequent to the year-end, on March 9, 2021 approval was obtained from the Lieutenant Governor of Ontario for Local 175 UFCW Residences Inc. (“Local 175”), a Non-Profit Housing Corporation, to transfer their operating agreement and all assets belonging to Local 175 to NRH, effective April 15, 2021. The transfer will occur in accordance with the articles of incorporation of Local 175 which require that the divesting of any assets be to another Non-Profit Housing Corporation for a price of \$1 CAD. NRH will assume all assets and liabilities of Local 175 at fair market value on April 30, 2021.

### 17. Subsequent Event – Service Manager responsibilities:

On October 23, 2020, the NRH Board approved the 2021 NRH budget related to the transfer of the administration of all Service Manager responsibilities to the Niagara Region, effective May 30, 2021. The finalized budget allocation between NRH and the Niagara Region was approved by the NRH Board on March 19, 2021 and Regional Council on March 25, 2021. Assets and liabilities related to the Service Manager operations will be transferred to the Niagara Region at their net book value on May 30, 2021. NRH will continue to provide governance, oversight, and financial management and ownership of all owned units.

### 18. Comparative figures:

Certain prior year figures have been reclassified to conform to the consolidated financial statement presentation adopted in the current year.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## SCHEDULE OF FINANCIAL ACTIVITIES – OPERATING FUND

For the year ended December 31, 2020 (In thousands of dollars)

	2020 Budget	2020 Actual	2019 Actual
<b>REVENUES</b>			
Rental revenue	\$ 15,489	\$ 15,840	\$ 15,293
Subsidies			
Niagara Region	37,445	37,445	36,687
Federal and Provincial Government	13,714	12,785	13,338
Investment income	145	225	334
Sundry revenue	418	272	377
	<b>67,211</b>	<b>66,567</b>	<b>66,029</b>
<b>EXPENSES</b>			
Property taxes	5,156	5,181	4,966
Support services – Niagara Region	3,000	2,862	3,633
Bad debts	272	147	132
Wages, salaries and benefits	5,104	4,932	4,894
Utilities	4,765	4,493	4,626
Materials and services	5,923	6,217	5,989
Interest on debenture and mortgage payments	883	926	886
Debenture payments	1,695	1,695	2,063
Rent supplement program (Note 12)	6,571	6,324	6,033
Investment in Affordable Housing (Note 13)	186	303	1,537
Administration	1,008	630	644
Supplies and equipment	282	238	324
Non-profit and co-op provider subsidies	19,869	19,438	19,600
Federal provider subsidies	1,069	1,081	1,122
Social Infrastructure Fund	1,014	578	544
Ontario Priorities Housing Initiative (Note 14)	903	916	159
Capital Loan and Grant Program	-	200	-
Canada-Ontario Community Housing Initiative	505	193	230
Other subsidies	1,390	807	290
Government land lease	41	27	31
	<b>59,636</b>	<b>57,188</b>	<b>57,703</b>
Annual surplus	7,575	9,379	8,326
<b>Financing and transfer</b>			
Transfer to reserves (note 8)	(3,083)	(4,232)	(3,890)
Transfer to Niagara Region (note 8)	-	(655)	(1,327)
Transfer to capital	(100)	(100)	-
Debt principal payments	(4,282)	(4,282)	(3,019)
Employee benefits	(110)	(110)	(90)
	<b>(7,575)</b>	<b>(9,379)</b>	<b>(8,326)</b>
Operating fund balance, end of year	\$ -	\$ -	\$ -



## Independent Auditor's Report

To the Board Members of The Regional Municipality of Niagara Court Services

### Opinion

We have audited the accompanying schedule of revenues, expenses and funds available for distribution of The Regional Municipality of Niagara Court Services (the "Court Services") for the year ended December 31, 2020 and notes to the schedule (collectively referred to as the "schedule").

In our opinion, the accompanying schedule of the Court Services for the year ended December 31, 2020, is prepared, in all material respects, in accordance with the financial reporting provisions in the Niagara Region Courts Intermunicipal Agreement dated April 26, 2000.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report. We are independent of the Court Services in accordance with the ethical requirements that are relevant to our audit of the schedule 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.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the schedule, which describes the basis of accounting. The schedule is prepared to assist the Court Services in complying with the financial reporting provisions in the Niagara Region Courts Intermunicipal Agreement dated April 26, 2000. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and the Board of Directors for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with the basis of accounting as described in Note 1, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

The Board of Directors are responsible for overseeing the Court Services' financial reporting process.

### Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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 GAAS 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 this schedule.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedule, 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 Court Services' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with the Board of Directors 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.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
May 28, 2021

# THE REGIONAL MUNICIPALITY OF NIAGARA

## COURT SERVICES SCHEDULE OF REVENUES, EXPENDITURES AND FUNDS AVAILABLE FOR DISTRIBUTION

For the year ended December 31, 2020 (In thousands of dollars)

	2020 Budget	2020 Actual	2019 Actual
<b>REVENUES</b>			
Offence receipts	\$ 8,862	\$ 5,068	\$ 7,026
Proceeds on sale of surplus land	-	-	215
<b>Total revenues</b>	<b>8,862</b>	<b>5,068</b>	<b>7,241</b>
<b>CONTROLLABLE EXPENSES</b>			
Salaries and benefits	2,572	1,522	1,610
Program support costs (note 4)	1,150	1,179	1,158
Collection charges	160	193	242
Legal	128	22	32
Payment processing costs	108	70	75
Ticket data capture	32	1	1
Telephone	10	8	8
Business forms	4	3	7
Equipment rental	1	1	-
Office and administration	71	43	56
	<b>4,236</b>	<b>3,042</b>	<b>3,189</b>
<b>UNCONTROLLABLE EXPENSES</b>			
Payments to other municipalities/provinces	250	84	296
Victim fine surcharge	1,764	742	1,034
Adjudication	580	183	371
Dedicated fines	20	13	31
Other provincial expenditures	343	126	215
	<b>2,957</b>	<b>1,148</b>	<b>1,947</b>
<b>Total expenses</b>	<b>7,193</b>	<b>4,190</b>	<b>5,136</b>
Excess of revenue over expenditures	1,669	878	2,105
Change in employee benefits and other liabilities	-	8	(7)
Transfer to Niagara Region (note 2)	(200)	(200)	-
<b>Funds available for distribution (note 3)</b>	<b>\$ 1,469</b>	<b>\$ 686</b>	<b>\$ 2,098</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE COURT SERVICES FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 1. Significant accounting policies:

The schedule of revenues, expenses and funds available for distribution of the Regional Municipality of Niagara Court Services has been prepared by management in accordance with the financial reporting provisions in the Niagara Region Courts Intermunicipal Agreement dated April 26, 2000 (the "agreement").

Significant accounting policies are as follows:

#### (a) Revenues:

Revenue is recorded on a cash basis.

#### (b) Expenditures:

Court Services follows the accrual method of accounting for controllable expenses. Controllable expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (c) Capital Assets

Capital assets and amortization of capital assets are not reported as expenses on the statement of receipts and expenses and funds available for distribution.

#### (d) Transfers to reserves:

Transfers to reserves are based on approval by the Board, as provided for in section 8.6 of the agreement.

#### (e) Employee future benefits:

Court Services provides certain employee benefits which will require funding in future periods. These benefits include sick leave, life insurance, extended health and dental benefits for early retirees.

The costs of sick leave, life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long term inflation rates and discount rates. The cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

### 2. Transfer to Niagara Region:

Court Services transferred \$334 (2019 – \$nil) to the Niagara Region for transfer to the Court Services Facility Renewal reserve.

The following represents the transactions through the reserve:

	2020	2019
Reserves held by the Niagara Region, beginning of year	\$ 2,876	\$ 1,650
Transfers during the year to reserve from operating budget	200	-
Return of funds from Court Facilities Renewal project	134	1,226
Reserves held by Niagara Region, end of year	\$ 3,210	\$ 2,876

# THE REGIONAL MUNICIPALITY OF NIAGARA

## NOTES TO THE COURT SERVICES FINANCIAL STATEMENTS

For the year ended December 31, 2020 (In thousands of dollars)

### 3. Distribution to area municipalities:

Court Services revenue distribution by municipality is as follows:

	Budget	2020	2019
Region of Niagara	\$ 735	\$ 343	\$ 1,049
Niagara Falls	143	67	204
Port Colborne	23	11	34
St. Catharines	183	86	266
Thorold	29	14	42
Welland	59	28	84
Fort Erie	47	22	68
Grimsby	58	27	82
Lincoln	49	22	68
Niagara-on-the-Lake	67	31	95
Pelham	34	16	48
Wainfleet	14	6	19
West Lincoln	28	13	39
Total distribution to area municipalities	\$ 1,469	\$ 686	\$ 2,098

The Niagara Region transferred the budgeted net revenue distribution for the first and second quarters of the year (\$367) to the local area municipalities, in accordance with the Niagara Region Court Intermunicipal Agreement dated April 26, 2000. This is in excess of the amount to be distributed based on year-end results, and the excess will be recovered in the first quarter of 2021.

### 4. Program support costs:

Court Services records direct operating expenses to their respective activity. The Regional Municipality of Niagara has a consolidated cost allocation policy with a guiding principle of more closely aligning indirect costs with the support programs and services as defined by the Province in the Financial Information Return (FIR) guidelines. The methodology allocates these indirect costs to end programs/service based on usage drivers.

Under this methodology, all departments providing programs/service support functions will allocate their costs using drivers specific to each type of expense.

Program support costs which have been allocated are:

	Budget	2020	2019
Finance service	\$ 128	\$ 122	\$ 129
Human resources services	48	114	37
Information technology services	114	89	107
Legal services	47	44	40
Insurance costs	1	1	1
Printing costs	2	3	3
Mailing costs	9	6	7
Communication costs	1	-	1
Facilities costs	800	800	833
Total program support costs	\$ 1,150	\$ 1,179	\$ 1,158



## SECTION 3

# STATISTICAL

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Former Toronto Power Generating  
Station, Niagara Falls

Prepared by Corporate Services  
Department and the office of the  
Chief Administration Officer

# THE REGIONAL MUNICIPALITY OF NIAGARA

## FIVE YEAR STATISTICAL REVIEW

December 31, 2020, with comparative information for 2019-2016 (unaudited - in thousands of dollars)

	2020	2019	2018	2017	2016
<b>CONSOLIDATED FINANCIAL POSITION</b>					
<b>FINANCIAL ASSETS</b>					
Cash	\$ 224,114	\$ 135,681	\$ 106,902	\$ 143,765	\$ 102,524
Investments	658,015	635,596	585,420	480,130	438,585
Accounts receivable	78,204	80,140	80,713	78,582	84,647
Other current assets	948	417	329	212	269
Tangible capital assets held for sale	850	1,760	756	3,515	10,307
Debt recoverable from others	324,254	316,419	305,684	285,412	262,552
<b>Total financial assets</b>	<b>1,286,385</b>	<b>1,170,013</b>	<b>1,079,804</b>	<b>991,616</b>	<b>898,884</b>
<b>FINANCIAL LIABILITIES</b>					
Accounts payable and accrued liabilities	157,970	129,782	114,195	122,221	124,811
Employee future benefits and post-employment liabilities	116,148	109,462	104,421	101,403	101,064
Deferred revenue	235,356	219,750	178,320	142,222	113,000
Landfill closure and post-closure liability	67,872	61,277	61,397	79,191	80,361
Contaminated sites liability	576	-	-	-	-
Long-term liabilities	740,201	695,904	662,658	631,922	579,492
Capital lease obligation	4,262	4,352	-	-	-
<b>Total financial liabilities</b>	<b>1,322,385</b>	<b>1,220,527</b>	<b>1,120,991</b>	<b>1,076,959</b>	<b>998,728</b>
<b>Net debt</b>	<b>(36,000)</b>	<b>(50,514)</b>	<b>(41,187)</b>	<b>(85,343)</b>	<b>(99,844)</b>
<b>NON-FINANCIAL ASSETS</b>					
Tangible capital assets	1,903,743	1,823,929	1,755,117	1,731,150	1,700,072
Inventory	8,485	7,498	7,360	7,319	6,905
Prepaid expenses	19,522	18,609	20,836	17,171	15,502
<b>Total non-financial assets</b>	<b>1,931,750</b>	<b>1,850,036</b>	<b>1,783,313</b>	<b>1,755,640</b>	<b>1,722,479</b>
<b>Accumulated surplus</b>	<b>\$ 1,895,750</b>	<b>\$ 1,799,522</b>	<b>\$ 1,742,126</b>	<b>\$ 1,670,298</b>	<b>\$ 1,622,635</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## FIVE YEAR STATISTICAL REVIEW

December 31, 2020, with comparative information for 2019-2016 (unaudited - in thousands of dollars)

	2020	2019	2018	2017	2016
<b>NET LONG-TERM LIABILITIES</b>					
Total long-term liabilities	\$ 758,658	\$ 712,170	\$ 676,851	\$ 644,083	\$ 589,684
Sinking fund assets	(18,457)	(16,266)	(14,193)	(12,161)	(10,192)
Debt recoverable from others	(324,254)	(316,419)	(305,684)	(285,412)	(262,552)
<b>Net Long-Term Liabilities</b>	<b>\$415,947</b>	<b>\$379,485</b>	<b>\$356,974</b>	<b>\$346,510</b>	<b>\$316,940</b>
Recovered from:					
Tax levy	333,159	310,779	288,274	276,035	241,585
Rate-supported	82,788	68,706	68,700	70,474	75,355
	415,947	379,485	356,974	346,510	316,940
Net long-term liabilities per capita	\$ 863	\$ 792	\$ 756	\$ 755	\$ 708
<b>ANNUAL REPAYMENT LIMIT</b>					
25% of own source revenues	\$ 163,861	\$ 158,216	\$ 153,945	\$ 150,437	\$ 146,319
Debt payments (interest and principal)	\$46,351	\$49,310	\$41,306	\$42,564	\$39,077
Debt payments as a percentage of own source revenue	7.1%	7.8%	6.7%	7.1%	6.7%
Annual repayment limit (\$)	\$ 117,510	\$ 108,906	\$ 112,639	\$ 107,873	\$ 107,242
Debt payments per capita	\$ 94	\$ 98	\$ 85	\$ 93	\$ 87
Debt payments as a percentage of total expenses	4.6%	5.0%	4.4%	4.8%	4.6%



# THE REGIONAL MUNICIPALITY OF NIAGARA

## FIVE YEAR STATISTICAL REVIEW

December 31, 2020, with comparative information for 2019-2016 (unaudited - in thousands of dollars)

	2020	2019	2018	2017	2016
<b>CONSOLIDATED OPERATIONS</b>					
<b>REVENUES BY SOURCE</b>					
Property taxpayer	\$ 409,551	\$ 383,481	\$ 363,304	\$ 350,157	\$ 339,835
Sewer charges	78,648	74,382	69,390	68,079	67,047
Water charges	44,913	43,245	43,883	42,150	42,929
Waste management	49,925	45,717	48,181	53,113	48,827
User charges	52,582	60,379	55,187	53,877	52,732
Government of Canada grants	31,841	26,690	24,986	25,915	25,740
Province of Ontario grants	354,193	320,813	322,020	294,769	284,831
Other municipalities	640	861	608	1,967	785
Development charges	33,428	19,814	13,387	11,761	16,923
Investment income	15,343	18,176	16,613	15,993	13,973
Court services	5,068	7,025	7,336	6,812	7,823
Miscellaneous income/other	9,136	8,710	14,234	9,952	13,709
<b>Total revenue by source</b>	<b>1,085,268</b>	<b>1,009,293</b>	<b>979,129</b>	<b>934,545</b>	<b>915,154</b>
<b>EXPENSE BY FUNCTION</b>					
General Government	52,542	43,503	43,507	42,100	41,150
Protection to persons and property	196,100	192,662	189,911	185,360	179,017
Transportation services	87,555	72,933	66,063	63,688	54,190
Environmental services	154,424	150,408	123,780	143,508	132,062
Health services	114,626	107,966	98,499	92,751	90,860
Social and family services	308,768	302,631	297,976	279,678	271,524
Social housing	64,707	63,964	64,095	67,130	62,571
Planning and development	10,318	17,830	23,470	12,667	11,361
<b>Total expenses by function</b>	<b>989,040</b>	<b>951,897</b>	<b>907,301</b>	<b>886,882</b>	<b>842,735</b>
Annual Surplus	96,228	57,396	71,828	47,663	72,419
Accumulated surplus, beginning of year	1,799,522	1,742,126	1,670,298	1,622,635	1,550,216
<b>Accumulated surplus, end of year</b>	<b>\$ 1,895,750</b>	<b>\$ 1,799,522</b>	<b>\$ 1,742,126</b>	<b>\$ 1,670,298</b>	<b>\$ 1,622,635</b>
<b>ANALYSIS OF EXPENSES BY OBJECT</b>					
Salaries, wages and employee benefits	\$ 444,021	\$ 422,502	\$ 404,050	\$ 388,360	\$ 381,888
Operating expenses	270,961	257,942	243,856	241,619	225,441
External transfers to others	168,153	171,008	163,879	158,209	149,181
Debt services	13,574	13,256	13,215	12,750	12,736
Amortization	92,331	87,189	82,301	85,944	73,489
<b>Total expenses by object</b>	<b>\$ 989,040</b>	<b>\$ 951,897</b>	<b>\$ 907,301</b>	<b>\$ 886,882</b>	<b>\$ 842,735</b>

# THE REGIONAL MUNICIPALITY OF NIAGARA

## FIVE YEAR STATISTICAL REVIEW

December 31, 2020, with comparative information for 2019-2016 (unaudited - in thousands of dollars)

	2020	2019	2018	2017	2016
<b>CONSOLIDATED CHANGE IN NET DEBT</b>					
Annual surplus	\$ 96,228	\$ 57,396	\$ 71,828	\$ 47,663	\$ 72,419
Acquisition of tangible capital assets	(172,451)	(158,046)	(104,039)	(116,972)	(180,417)
Contributed tangible capital asset	(951)	(142)	(3,615)	(428)	-
Transfer to (from) tangible capital assets held for sale	(910)	1,004	(2,759)	(6,791)	7,007
Amortization of tangible capital assets	92,331	87,189	82,301	85,944	73,489
Loss (gain) on sale of tangible capital assets	1,973	197	1,295	2,042	(1,598)
Proceeds on sale of tangible capital assets	194	568	2,850	5,127	2,951
Write down on tangible capital assets held for sale	-	418	-	-	-
Change in inventory	(987)	(138)	(41)	(415)	(1,021)
Change in prepaid expenses	(913)	2,227	(3,664)	(1,669)	(4,256)
Change in net debt	14,514	(9,327)	44,156	14,501	(31,426)
Net debt, beginning of year	(50,514)	(41,187)	(85,343)	(99,844)	(68,418)
Net debt, end of year	\$ (36,000)	\$ (50,514)	\$ (41,187)	\$ (85,343)	\$ (99,844)

### RESERVES

Capital	\$ 143,821	\$ 169,677	\$ 187,967	\$ 184,654	\$ 173,402
Stabilization	84,030	51,974	60,334	55,956	54,018
Future Liability	47,617	43,415	43,648	42,587	42,859
Specified Contribution	7,983	1,419	1,419	2,658	2,746
Total	\$ 283,451	\$ 266,485	\$ 293,368	\$ 285,855	\$ 273,025

### REVENUE ANALYSIS

Property taxes and user charges as a percentage of consolidated revenue	58.6%	60.2%	59.2%	60.7%	60.3%
Total grants as a percentage of consolidated revenue	35.6%	34.5%	35.5%	34.5%	34.0%

# THE REGIONAL MUNICIPALITY OF NIAGARA

## FIVE YEAR STATISTICAL REVIEW

December 31, 2020, with comparative information for 2019-2016 (unaudited - in thousands of dollars)

	2020	2019	2018	2017	2016
<b>TAX LEVY</b>					
Regional tax levy	\$392,570	\$365,726	\$346,748	\$335,024	\$325,108
Regional government tax levy change (Net tax increase/decrease after assessment growth)	5.92%	3.82%	2.00%	2.00%	-0.02%
<b>TAXABLE ASSESSMENT</b>					
Residential and farm	\$53,383,248	\$50,585,629	\$47,727,464	\$45,058,956	\$42,907,735
Commercial, industrial and business	8,407,236	8,071,174	7,654,672	7,238,493	7,090,274
<b>Total</b>	<b>\$61,790,484</b>	<b>\$58,656,802</b>	<b>\$55,382,136</b>	<b>\$52,297,449</b>	<b>\$49,998,009</b>
Per household	\$ 261,947	\$ 250,676	\$ 237,376	\$ 226,648	\$ 217,901
Commercial, industrial, business, as a % of taxable assessment	13.6%	13.8%	13.8%	13.8%	14.2%
Typical residents' annual regional property taxes (Average assessment for the Region)	\$1,602	\$1,517	\$1,461	\$1,427	\$1,399

### TOP FIVE REGIONAL COMMERCIAL TAXPAYERS

- OPB Realty (Pen Centre) Inc.
- The Outlet Collection (Niagara) Limited
- Steadfast Hospitality Inc.
- Niagara Water Park Properties Ltd
- 2100422 Ontario Limited

### TOP FIVE REGIONAL INDUSTRIAL TAXPAYERS

- SLB Rapids S A R L
- General Motors of Canada Company
- Jungbunzlauer Canada Inc.
- 2433814 Ontario Inc.
- Cytec Canada Inc.

# THE REGIONAL MUNICIPALITY OF NIAGARA

## FIVE YEAR STATISTICAL REVIEW

December 31, 2020, with comparative information for 2019-2016 (unaudited - in thousands of dollars)

	2020	2019	2018	2017	2016
<b>STATISTICS</b>					
Population (a)	481,727	479,183	472,448	458,986	447,888
Number of households (b)	203,794	201,797	201,063	198,806	196,914
Niagara Region government full-time employees	4,009	3,821	3,741	3,547	3,497
Unemployment rates (a):					
Niagara Region	9.6%	5.8%	6.6%	6.7%	7.1%
Ontario	9.6%	5.6%	5.6%	6.1%	6.4%
Canada	9.5%	5.7%	5.8%	6.4%	6.9%
Average monthly Ontario Works caseloads	9,754	10,084	10,080	10,418	10,826
Housing starts (c)	2,897	3,077	2,332	2,440	2,530
Annual disposal residential solid waste (metric tonnes)	87,534	88,126	87,350	87,048	84,256
Annual diversion of residential solid waste (metric tonnes)	119,050	110,715	111,135	113,720	106,652
Annual supply of treated water (000 m3)	55,517	55,458	58,491	56,986	58,843
Annual wastewater flows (000 m3)	69,213	79,271	76,140	76,715	63,407
<b>BUILDING PERMIT VALUES</b>					
Residential & agricultural (a)	\$ 948,139	\$ 919,644	\$ 763,804	\$ 714,596	\$ 649,828
Business & commercial (a)	272,229	289,118	167,511	145,011	131,755
Industrial (a)	68,917	47,560	111,274	134,973	39,085
Government & institutional (a)	88,027	69,669	22,743	63,024	48,107
	\$ 1,377,312	\$ 1,325,991	\$ 1,065,332	\$ 1,057,604	\$ 868,775

### NIAGARA REGION TOP EMPLOYERS (TOTAL # OF EMPLOYEES)

**Employer:**

1. District School Board of Niagara
2. Brock University
3. Niagara Health System
4. Niagara Region
5. Niagara Fallsview Casino Resort

**Note:**

- 2020 residential solid waste values above are preliminary values based on initial submission for RPRA Blue Box Program Datacall – data verification and publication has not been completed by RPRA.

**Source:**

- (a) Statistics Canada
- (b) Municipal Property Assessment Corporation
- (c) CMHC Canadian Housing Observer

Niagara  Region

# 2020 ANNUAL FINANCIAL REPORT

1815 Sir Isaac Brock Way Thorold, ON L2V 4T7

