

2024 Annual Financial Report

Prepared by Financial Reporting,
Corporate Services, Niagara Region
For the year ended Dec. 31, 2024
Niagara Region | Ontario Canada
niagararegion.ca



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Section 1

Introduction



A ship passes
under Allanburg Bridge
in Thorold.
Photo by: Bill Augerman,
St. Catharines



Purpose

Niagara Region's annual report provides an opportunity to reflect and highlight on some of the accomplishments during the year. As well, this document provides 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 2023-2026.

Vision

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.



Crystal Beach winter, Photo by: Caitlyn Trider, Fort Erie

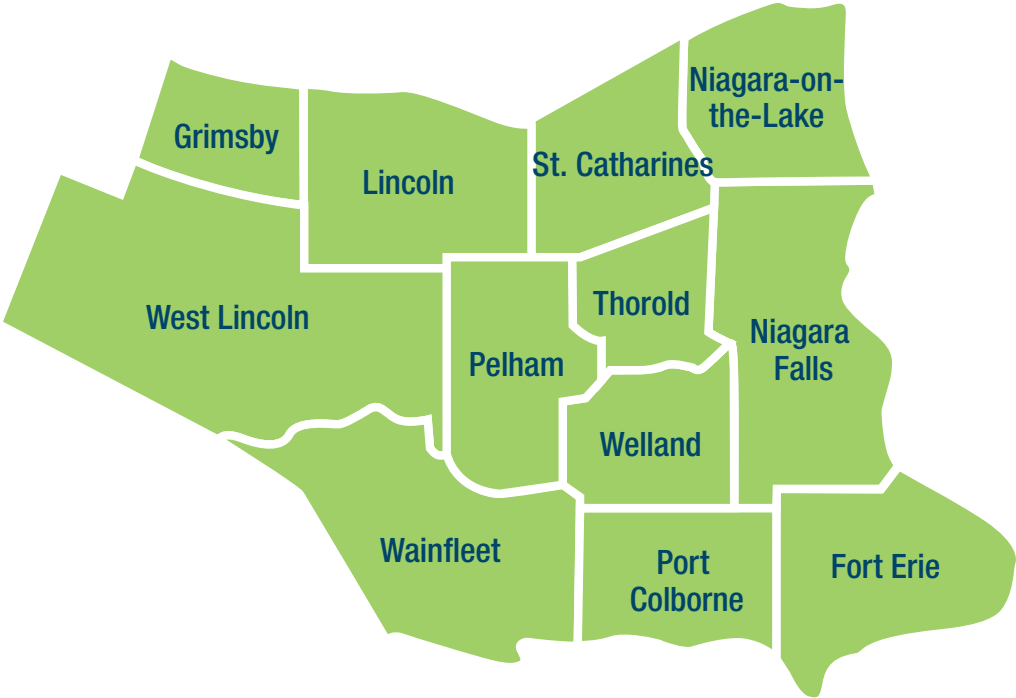


Two-Tier Government System

Niagara Region is part of a two-tier government structure. Since 1970, Niagara Region has served as the upper-tier providing region-wide services and programs, while each of the 12 local municipalities administer local programs and services. Services like infrastructure cross boundaries and regional government allows for coordinated growth. Collaboration and partnership between the two tiers ensure efficient service delivery across municipal lines while taking into account the many voices that make up Niagara.

Regional Programs and Services

The lives of Niagara’s residents are affected every day by Niagara Region’s programs and services. This includes high-quality drinking water, wastewater treatment, garbage and organics collection, regional roads and transit. Niagara Region supports residents from birth to old age through childcare centres, shelters and affordable housing, long-term care homes, paramedics and police services. By making strategic investments in programs, services and infrastructure, we’re helping everyone grow better together.



Niagara Region’s population is approximately **539,180**



After taxes, the median family income would be approximately **\$93,000**



Median age is **46 years**





Jim Bradley
Regional Chair

2022-2026 Regional Council

Niagara Region is one of seven regional governments in Ontario. As an upper-tier municipality, Niagara Region provides programs and services for the residents and businesses in 12 cities, towns and townships. 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.



Haley Bateman
St. Catharines



Frank Campion
Welland



Pat Chiochio
Welland



Kim Craitor
Niagara Falls



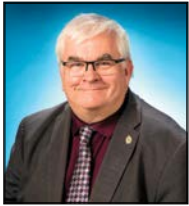
Fred Davies
Port Colborne



Jim Diodati
Niagara Falls



Sandra Easton
Lincoln



Robert Foster
Lincoln



Bob Gale
Niagara Falls



Cheryl Ganann
West Lincoln



Brian Grant
Wainfleet



Brian Heit
St. Catharines



Diana Huson
Pelham



Tom Insinna
Fort Erie



Laura Ip
St. Catharines



Jeff Jordan
Grimsby



Marvin Junkin
Pelham



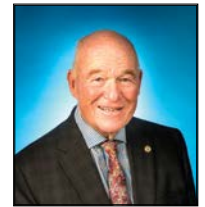
Andrea Kaiser
Niagara-on-the-Lake



Joyce Morocco
Niagara Falls



Wayne Redekop
Fort Erie



Tim Rigby
St. Catharines



Michelle Seaborn
Grimsby



Peter Secord
St. Catharines



Mat Siscoe
St. Catharines



Sal Sorrento
St. Catharines



Bill Steele
Port Colborne



Tim Whalen
Thorold



Albert Witteveen
West Lincoln



Terry Ugolini
Thorold



Leanna Villella
Welland

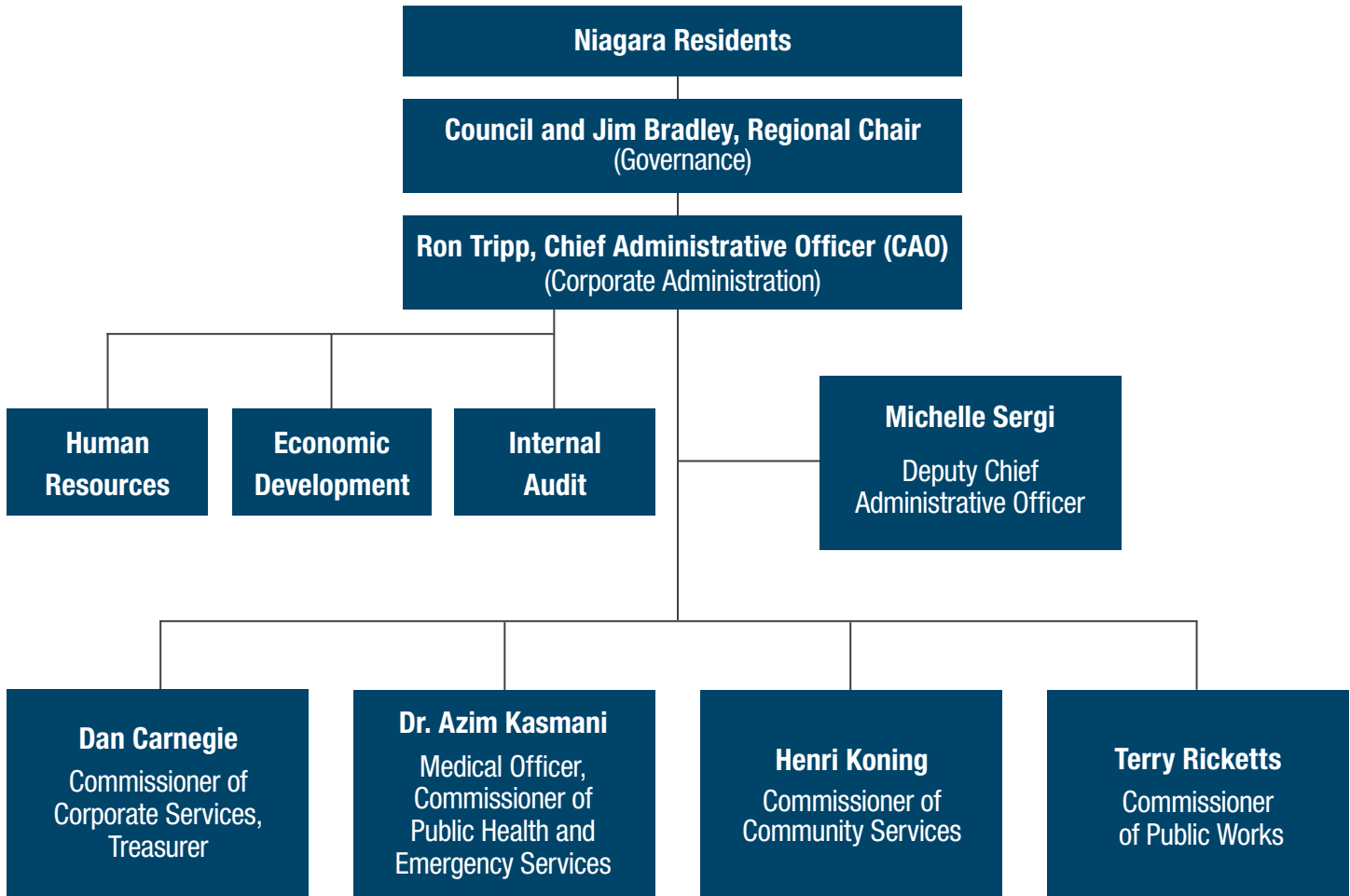


Gary Zalepa
Niagara-on-the-Lake



Niagara Region Organizational Chart

as of Dec. 2024



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: John Metcalfe
Vice-Chair: Stewart Beattie
- **Niagara Regional Housing**
Chair: Mat Siscoe
Vice-Chair: Jeff Jordan
- **Niagara Transit Commission**
Chair: Mat Siscoe
Vice-Chair: Wayne Redekop
- **Police Service Board**
Chair: Jen Lawson
Vice-Chair: Nyarayi Kapisavanhu
- **Joint Board of Management**
- **Niagara Region Courts**
Chair: Mark Tardif
Vice-Chair: Jason Simpson

Other Supporting Services

- **Auditors**
KPMG
- **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

This year's Annual Financial Report shines a spotlight on the important work undertaken by Regional Council and staff throughout 2024, providing the essential Regional services our residents and businesses rely on, and making thoughtful decisions that will guide the future development of our region.

While the past several years have certainly brought challenges, including rising inflation, housing affordability issues, and an ever-growing homelessness crisis, Regional Council has been strategic and responsive in its decision-making in order to ensure Niagara's financial stability and its social and economic prosperity. I am pleased to share that Niagara Region has, once again, maintained its AA+ credit rating, which serves as evidence of the Region's prudent financial management practices.

The past several years have been extremely challenging for municipalities across our province, who are facing the same inflationary challenges affecting households across the country, and who are grappling with the effects of chronic underfunding of our municipal infrastructure. Over 95 per cent of the Region's services are classified as mandatory or essential, making it extremely difficult to find opportunities to lower costs in these areas.

Additionally, we are often subjected to Provincial changes to municipal services that drive up costs, and too often this happens without the Province providing the necessary funding to compensate. In my role as Regional Chair, I will continue to advocate for a new funding model to make sure municipalities are properly funded to meet the ever-evolving needs of our communities.

Despite these challenges, the Region has found ways to protect our core services and drive positive growth in Niagara. Throughout the last year, Niagara's population reached a high of over 539,180 people, and we gained over 13,000 jobs. All that growth is bringing world-class business leaders to set up shop in Niagara.

Making the headlines in the summer was the announcement of Asahi Kasei's brand-new lithium-ion battery separator plant in Port Colborne. The fact that this global powerhouse chose to invest in Niagara speaks volumes of the excellent business opportunities, vibrant community, and strong partnerships that are hallmarks of our community.

Over the coming year, Regional Council will continue to work tirelessly with our dedicated Regional staff, our municipal counterparts, and our partners at the Federal and Provincial levels in order to ensure that Niagara residents and business are supported and empowered to succeed and thrive in our beautiful region.



A handwritten signature in black ink that reads "Jim Bradley".

Jim Bradley, Chair
Niagara Region



Where are we?

Niagara benefits from a mix of urban centres and rural life, Canadian culture and international relationships. It is unique in Ontario. Bordered by Lake Ontario, Lake Erie and the Niagara River, the region is a peninsula with potential. Set in the lush Southern Ontario greenbelt, the area includes the Niagara Escarpment, the Welland Canal, four United States border crossings, innovative manufacturers, diversified agriculture, award-winning restaurants, engaging culture, an internationally recognized wine-producing sector and one of Canada's most memorable landmarks.

Through our economic development, government advocacy and significant investments in transit, residents and businesses are poised to take advantage of everything the region has to offer.

With more than half a million residents, Niagara is growing. The population is up by 12 per cent since 2020, which means we're growing faster than the province and the country. This is a place people want to live, and we're committed to providing the core services our residents need to thrive. Efficient and fiscally responsible, our work is made better through meaningful communication, strategic partnerships and community collaboration.

Niagara works together to benefit everyone. Our proximity to Toronto and the United States brings many economic opportunities. It also brings challenges that we're prepared to address – together. Working collaboratively with the municipalities that make up Niagara region, we provide responsive solutions to the most pressing needs of our residents and businesses. We tie the region together by providing key infrastructure, transit connections and community supports that create the conditions for success.



Rockway
Conservation,
Lincoln.
Photo by: Eric
O'Connor, Vineland



Where are we going?

Niagara region has seen significant economic and demographic changes in recent years. Regional Council's Strategic Plan 2023-2026 is guiding the Region through these changes and toward a future that is better for everyone.

The goal is a prosperous, safe and inclusive community that embraces natural spaces and promotes a high quality of life. To achieve it, we're serving our residents, businesses and tourists through responsive leadership, responsible policy and the provision of effective and efficient community-focused services.

As part of carrying out the Transportation Master Plan, Niagara Region was recognized in 2024 with the Canadian Association of Municipal Administrators' Award for Collaboration within Municipalities.

Working with the 12 local municipalities to create a consolidated region-wide transit system is part of addressing transportation and growth needs from today through 2051.

We are also responsible for some of our residents' most basic needs, like water. We take care of what comes out of the tap and what goes down the drain. The Water and Wastewater Master Servicing Plan provides direction for how we operate now and how we plan to operate and deliver these services to help our communities grow. More homes mean more demand on our water and wastewater systems. It is up to us to figure out the best way to meet Niagara's needs.

As we continue working toward achieving our vision for Niagara region, staff and Council are investing in service improvements that affect our residents from birth to old age. In 2024, this included expanded childcare services, more shelter spaces and a new long-term care home. Regional Council also endorsed the new Attainable Housing Strategy, which is part of our commitment to meeting the challenge of affordable and attainable housing for all.



Gilmore Lodge long-term care home, Fort Erie



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 is made up of a regional chair, the mayors of all 12 local municipalities and 19 regional councillors elected to represent the municipalities. All councillors hold office until the next election in 2026.



Corporate Administration

The Office of the Chief Administrative Officer, along with the Office of the Deputy Chief Administrative Officer, is responsible for implementing the policies and direction of Regional Council. This includes overseeing the management and performance of Niagara Region's business operations, and the efficient organization of the Region's staff and resources. The Office of the Chief Administrative Officer directly oversees Human Resources, Economic Development and the Manager of Internal Audit, along with five departments. The Office of the Deputy Chief Administrative officer oversees the Office of the Regional Clerk, the Strategic Initiatives division and the Partnerships and Communications division.



Community Services

A strong community is one where every individual is supported to fulfill their potential, achieve their goals and enhance their quality of life and social well-being. Niagara Region Community Services helps some of the most vulnerable people in our community from infancy to senior years. Our services are broken down into five divisions: Children's Services, Homelessness Services and Community Engagement, Housing Services, Seniors Services and Social Assistance and Employment Opportunities.



24

**family physicians
recruited in 2024**



2,600 seniors
supported through
community programs

5,588 people
kept in housing using
emergency benefits





Corporate Services

Corporate Services delivers finance, legal, facilities, technology, procurement and court services. These services, along with effective planning and strategy, support the functioning of Niagara Region and contribute to greater prosperity for Niagara. The division's services are Construction, Energy and Facilities Management, Financial Management and Planning, IT Solutions, Legal and Court Services and Procurement Services.



Public Health and Emergency Services

We are committed to building one of the healthiest communities in Canada. Public Health and Emergency Services delivers on that promise by addressing everything from disease prevention and long-term health impacts to the immediate need for front-line paramedics and advanced emergency medical care. It consists of seven divisions: Chronic Disease and Injury Prevention, Clinical Services, Medical, Emergency Services, Environmental Health, Family Health and Organizational and Foundational Services.



Public Works

Public Works staff provide critical, foundational services all day, every day. They maintain and operate the infrastructure that provides clean drinking water, essential wastewater treatment and regional roads and bridges. They collect and dispose of garbage and organics, manage forestry, and keep people moving through every mode of transport. Public Works plays an integral role in our everyday lives. It is composed of: Growth Management and Planning, Infrastructure Planning and Development Engineering, Transportation Services, Waste Management and Water and Wastewater services.



\$4,000
per year saved per
long-term care home
through energy upgrades



99,625
responses to 911 calls

15,007
health inspections
completed



1,738 km
of roads maintained,
500,000 potholes
patched



Agencies, Boards and Commissions



Niagara Regional Housing

Niagara Regional Housing (NRH) provides affordable housing through new development and public housing. It supports low-income households and those facing homelessness by administering subsidies and working with community partners. The NRH Board includes five Niagara regional councillors and four community members.



Photo: Dave Bauer

Niagara Peninsula Conservation Authority

Niagara Peninsula Conservation Authority manages 41 conservation areas in the Niagara Peninsula watershed, which covers 2,424 square kilometres. It is responsible for flood and hazard management, source water protection, and land management, restoration and stewardship.



Niagara Transit Commission

Niagara Transit Commission provides safe, reliable and sustainable transit service across Niagara region. Launched in 2023, it is responsible for the operation, management and maintenance of buses, shared-ride services for residents with disabilities and microtransit through the NRT+ app.



Niagara Regional Police Service

Niagara Regional Police Service provides policing and public safety services to all of Niagara's residents, and to more than 13 million visitors each year. Niagara Regional Police Services aims to provide quality policing services with integrity.



Provincial Offences Court, Niagara Region Courts

Niagara Region administers the Provincial Offences Court on behalf of local municipalities. Region staff set trials and prosecute certain provincial offences. Staff also receive fine payments resulting from charges laid by various police forces and enforcement agencies operating in the region.



Growing Better Together: Council Strategic Priorities

Aerial view Niagara on the
Lake. Photo by: Nico San
Pedro, Welland



Council Strategic Priorities

Council Strategic Priorities address the financial, social, economic and environmental conditions for building a sustainable future. With Niagara region's growing population, these priorities provide a map for supporting our community's needs today and for decades to come.

Effective Region

Boosting the efficiency of Regional services in ways that are innovative, collaborative and fiscally responsible.

Green and Resilient Region

Protecting and nurturing an environment-friendly Niagara by reducing our collective carbon footprint, adapting to climate change impacts and ensuring our infrastructure is resilient.

Equitable Region

Promoting affordability, safety and inclusivity by listening and responding to Niagara's diverse communities.

Prosperous Region

Building Niagara's economic welfare and a healthy and diverse business environment by advocating with senior governments and by enhancing the region's transportation network.



Port Dalhousie aurora borealis, St. Catharines. Photo by: William Mitchell, St. Catharines



Effective Region

Boosting the efficiency of Regional services in ways that are innovative, collaborative and fiscally responsible.

Objectives

- Implement continuous improvement and modernized processes to ensure value-for-money with Regional services and programs
- Explore and implement opportunities to improve service delivery through shared services
- Deliver fiscally responsible and sustainable services
- Invest and support a skilled and aligned workforce at Niagara Region



Niagara sign outside of Niagara Region Headquarters

Highlights



People Plan/ Safe and Secure Workplace

When it comes to the Region's human resources, several milestones were achieved in 2024. This includes a non-union benefits review, the human resources data warehouse, defining critical roles and an action plan for reporting on the employee engagement survey. The Corporate Security Policy and procedures were also approved with staff training to be completed in 2025.



Modernizing Procurement

Niagara Region is responding to business needs and Council priorities by updating how we buy goods and services. Staff put together a modernized procurement bylaw to be presented to Committee of the Whole in 2025.



Public Health Strategic Review

Organizational changes will mobilize and capitalize on Public Health efforts to meet the needs of Niagara residents. Taking effect in 2025, the changes align with Ontario's new Public Health standards.



Asset Management Policy Update

Covering more than \$12 billion in assets, this policy update guides the development and implementation of Niagara Region's asset management framework, plans and strategy.



Green and Resilient Region

Protecting an environment-friendly Niagara by reducing our collective carbon footprint, adapting to climate change impacts and ensuring our infrastructure is resilient.

Objectives

- Deliver operations and services that align with our greenhouse gas emission target and climate change goals
- Partner with the local municipalities and community organizations to advance climate change action in Niagara
- Build resiliency into our Regional infrastructure to support growth and prepare for the impacts of climate change



NPCA and Niagara Region teamed up to plant 1,000 native trees and shrubs at Waterworks Park across from Decew Water Treatment Plant in Thorold

Highlights



Corporate Climate Change Action Plan

To achieve Council's target of net-zero greenhouse gas emissions by 2050, staff prepared the Corporate Climate Change Action Plan for presentation to leadership. The plan details a phased approach that leverages planned asset renewal work, balancing environmental responsibilities with affordability for taxpayers.



Environmental Sustainability of Long-Term Care Homes

Niagara Region is cutting waste and saving money with upgrades and new systems in its eight long-term care homes. Upgraded heating systems, high-efficiency toilets and an ozone laundry system have saved up to \$4,000 annually per home on natural gas, reduced electricity consumption and cut water usage by 35 per cent.



Biosolids Master Plan

The Biosolids Master Plan identifies the future management of biosolids and explores options for managing them in the region.



Energy Conservation and Demand Management Plan

The Energy Conservation & Demand Management Plan has been completed and published. Staff will now focus on implementing the plan, with the goal of achieving a 20% reduction in emissions across all departments with buildings by the end of 2028.



Equitable Region

Promoting affordability, safety and inclusivity by listening and responding to Niagara's diverse communities.

Objectives

- Ensure the Region is inclusive, welcoming and free of discrimination
- Improve access to affordable and attainable housing
- Support growth and development post Bill 23



Move-in day at Gilmore Lodge long-term care home

Highlights



Gilmore Lodge

Opened in 2024, Gilmore Lodge is a new resident-centered, state-of-the-art long-term care home for 160 seniors. Residents, families and community members contributed to the design, including developing smaller neighbourhoods to support well-being.



New Supportive Housing

An 18-unit transitional supportive housing development was completed for women and children fleeing violence.



Niagara Well-Being Tool

A new interactive tool allows users to explore well-being data for Niagara's 12 municipalities and 44 neighbourhoods. Information about demographics, education and employment, housing, income and more can be explored at the regional, municipal and neighbourhood levels.



Accessibility Multi-Year Plan

With implementation starting in 2025, this plan will make Niagara Region's services and facilities inclusive and accessible for everyone.



Prosperous Region

Advocate with senior governments for future growth. Improve Niagara's transportation network to help new and existing businesses thrive and grow locally, nationally and internationally.

Objectives

- Attract and retain businesses; create jobs and support a skilled workforce in Niagara
- Build “Niagara” as a global brand and invest in the growth of its emerging sectors
- Invest and enhance access to transit, active transportation and other transportation systems in the region
- Be an effective and unified voice to advocate with senior governments on behalf of Niagara



Group of people attending Niagara Week at Queen's Park.

Highlights



Physician Recruitment

By working together with local municipalities, Niagara welcomed 24 new family doctors in 2024. A Physician Recruitment Roundtable brought together 38 municipal, education and health sector representatives to find more ways of working together on attracting and retaining physicians.



Provincial and Federal Advocacy

Staff undertook several advocacy-related projects including support for the South Niagara Wastewater Treatment Plant, bringing two-way GO Train service to Niagara and advancing the Consolidated Housing Master Plan.



EarlyON Service Enhancement

Additional childcare spaces and increased access to EarlyOn centres were created through approximately \$292,000 in funding for 14 projects from six agencies.



Zero Emission Vehicle Framework

Regional Council accepted a new Zero Emissions Vehicle Framework outlining how the region will transition to producing zero emission vehicles. The blueprint covers developing supply chains, building and up-skilling the workforce, investing in infrastructure, coordinating with communities and including Indigenous voices.



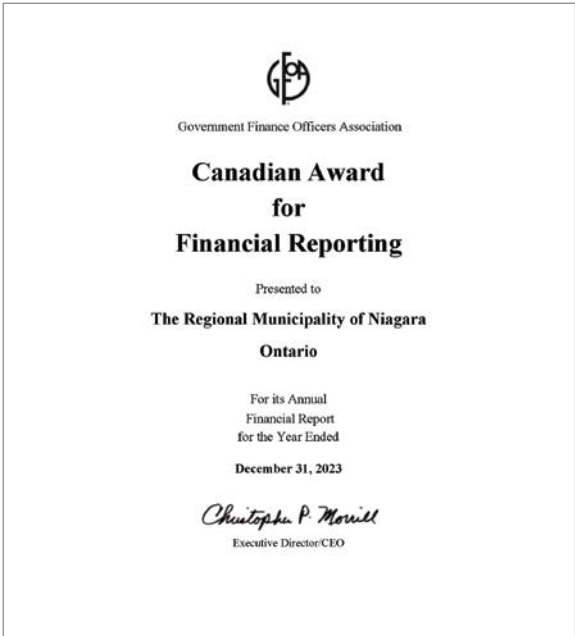
Awards and Achievements

Niagara Region continued its commitment to fiscal responsibility in 2024. This included developing budgets and presenting financial information to Niagara Region taxpayers in a clear and easy-to-understand way.

Government Finance Officers Association of the United States and Canada (GFOA) Canadian Award for Financial Reporting

Niagara Region was recognized for the twentieth year in a row for excellence in government accounting and financial reporting for its 2023 Annual Financial Report. The award recognizes Niagara Region’s efforts to communicate with taxpayers by telling a financial story that motivates users to read the annual report.

To receive the award, a government organization must present financial information in a clear, concise and informative way with content that conforms to program standards. Award-winning reports go beyond the minimum requirements of generally accepted accounting principles.



Credit Rating

For the third consecutive year, Standard and Poor’s Global Ratings reaffirmed Niagara Region’s credit rating of AA+.

GFOA Distinguished Budget Presentation Award

Niagara Region received the Distinguished Budget Presentation Award for its 2024 Budget. This award reflects the commitment of Regional Council, management and staff to meeting the highest standards of government budgeting.

Exemplary Standing with Accreditation Canada

All eight of our long-term care homes are Accredited with Exemplary Standing under the Qmentum accreditation program with Accreditation Canada.



Report From The Treasurer

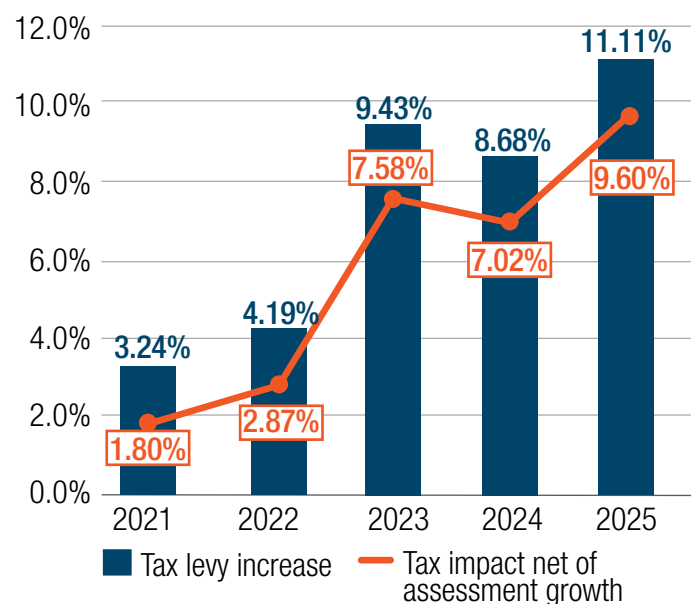
Property Taxes

On December 14, 2023, Regional Council approved a 7.02 per cent increase, net of assessment growth of 1.66 per cent, in regional taxes for a 2024 tax-supported operating budget with a tax levy of \$483 million and a capital budget of \$270.3 million.

The 2024 general tax levy operating budget included:

- \$8.6 million to replace provincially regulated development charge revenue losses needed to pay for housing-enabling infrastructure (Bill 23)
- \$6.7 million to support infrastructure needs for Regional departments and agencies, boards and commissions
- \$4.1 million to stabilize the homelessness system with shelter outreach and support
- \$2.7 million to pay for development charge and tax increment grants
- \$2.2 million to subsidize housing provider operators

Figure 1: Historical Tax Levy Increase
(per cent)



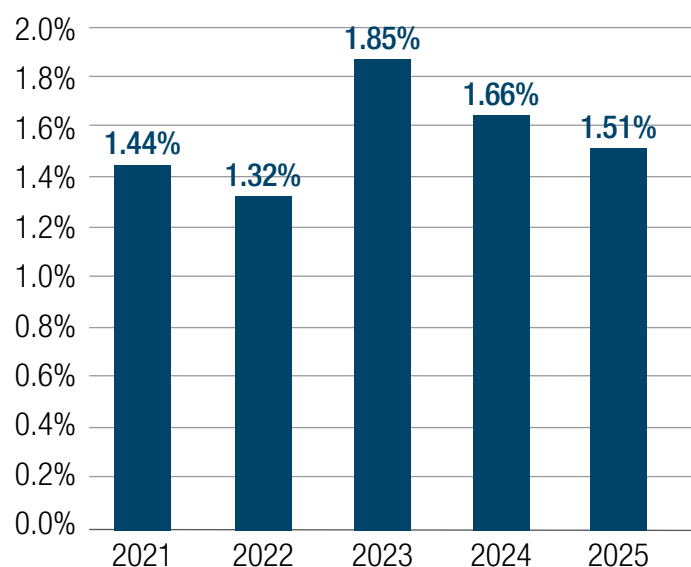
Assessment Growth

Historical assessment growth, being the incremental property taxes paid as a result of an expanding region (new homes and businesses), through 2025 is presented in **Figure 2**.

Assessment growth is tied to, but lags behind, building permit values. Although the value of building permits issued has been increasing over the past few years, not all classes of property are taxed at the same rate. The decrease in assessment growth over the prior year can be explained by building permit values issued in year for government and institutional property class – which do not pay taxes – thereby limiting 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.

Figure 2: Historical Assessment Growth
(per cent)



Property Taxes as a
Per Cent of Household Income

For the average property assessed at \$298,000 in 2024, the Regional portion of the property tax bill increased by \$131, totalling \$1,989. As a measure of affordability for residents, property taxes as a percentage of household income have remained relatively consistent with a small increase from 2023. In 2024, property taxes for Niagara accounted for 4.15 per cent of household income (2023 – 4.09 per cent).

During 2024, Niagara Region collected \$483 million in general 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 in **Figure 4**.

Figure 3: Property Taxes As Per Cent
of Household Income (per cent)

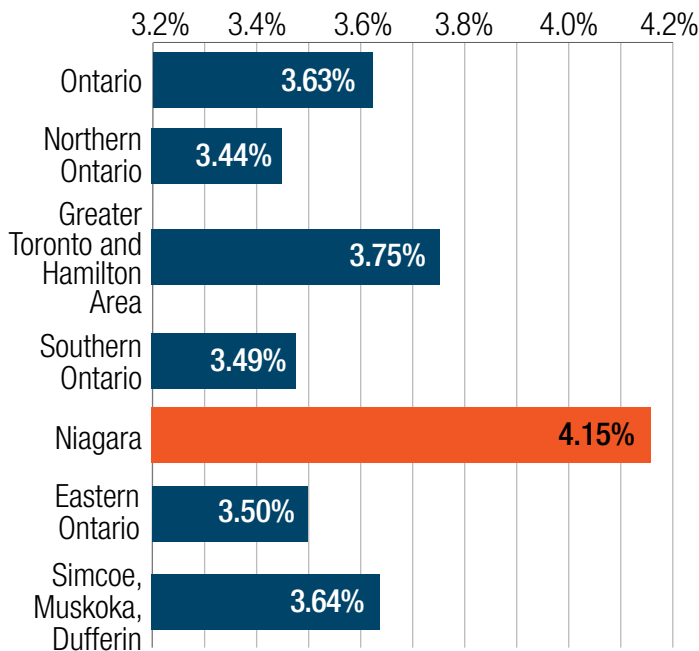
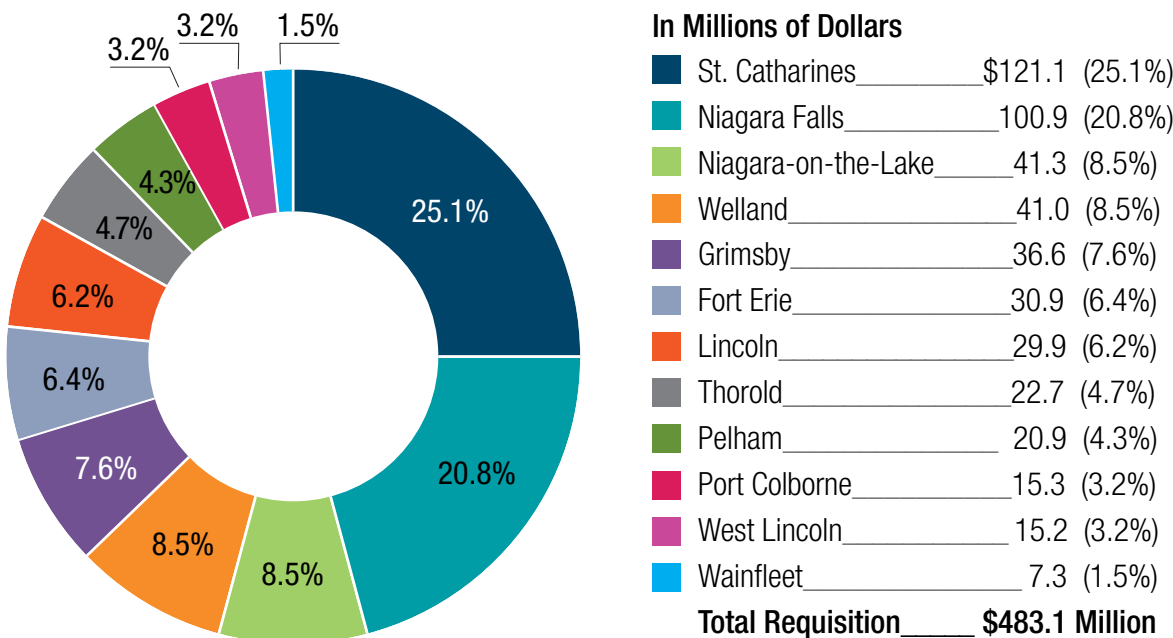


Figure 4: 2024 Taxation Requisition by Local Area Municipality
(In per cent and millions of dollars)



Water and Wastewater

The Niagara Regional Council approved rate budget increases for Water and Wastewater Services for 2024 in the amount of \$154.6 million for an increase of 7.95 per cent. The Water and Wastewater budgets provide continuity of essential operations and allows for updates and investment into major infrastructure.

Special Tax Levies

Special tax levies are separate from the general tax levy and are unique for each municipality. In Niagara, municipalities are billed a special tax levy for Waste Management and for the integrated Niagara Region Transit service established under the Niagara Transit Commission.

Waste Management

Niagara Regional Council approved a special tax levy of \$45.2 million or zero per cent increase for waste management services before assessment growth which resulted in an annual cost per household ranging from \$135 per year to \$285 depending on the municipality.

Transit

Niagara Regional Council approved a special tax levy for the Niagara Transit Commission of \$58.4 million or six per cent before assessment growth. This will result in an annual cost per household ranging from \$70 per year to \$344 depending on the municipality.

Figure 5: Historical Water and Wastewater Operating Budget Increase (per cent)

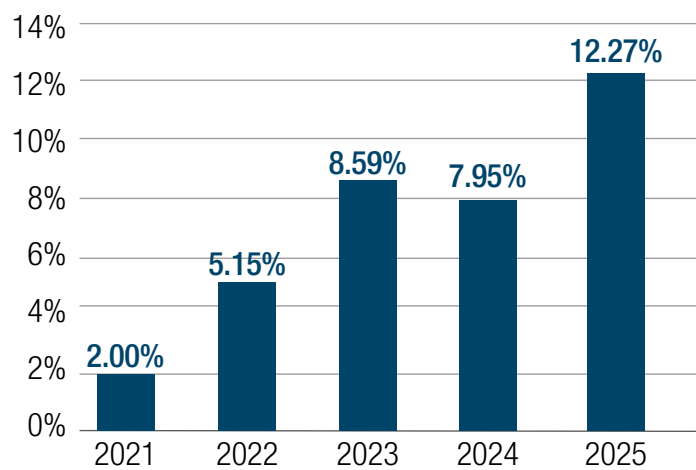
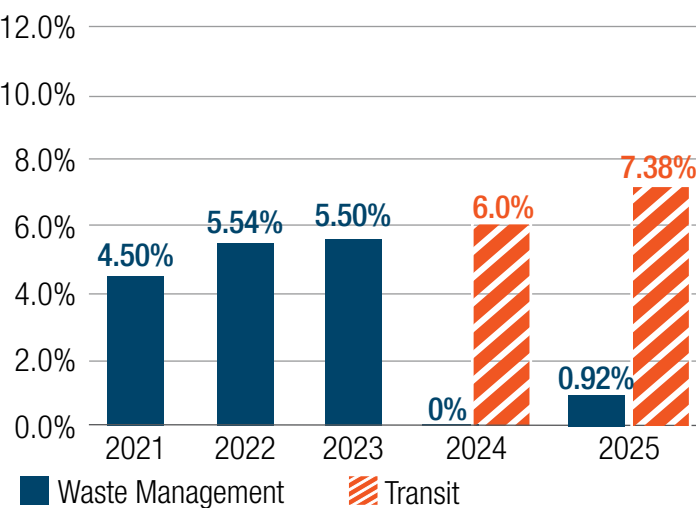


Figure 6: Historical Special Tax Levy Operating Budget Increase (per cent)



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 2024, the value of building permits issued total \$1,536 million, which was an increase of approximately \$70 million (4.8 per cent) over the 2023 values of \$1,466 million. The largest amount of building permits issued continues to be the residential and agricultural sector with a total value of \$1,004.9 million in 2024 (2023 - \$1,010.3 million), which accounts for 65.4 per cent (2023 – 68.9 per cent) of total building permits issued. The residential and agricultural sector and the business and commercial sector experienced a decline during 2024, as there were building permits issued totalling \$1,004.9 million, which is a decrease of \$5.4 million from 2023.

The other sectors, including government and institutional, industrial, and business and commercial, experienced an incline during 2024, as there were building permits issued totalling \$531.4 million, which is an increase of \$75.3 million from 2023.

Figure 7: Total Value of Building Permits Issued (In millions of dollars)

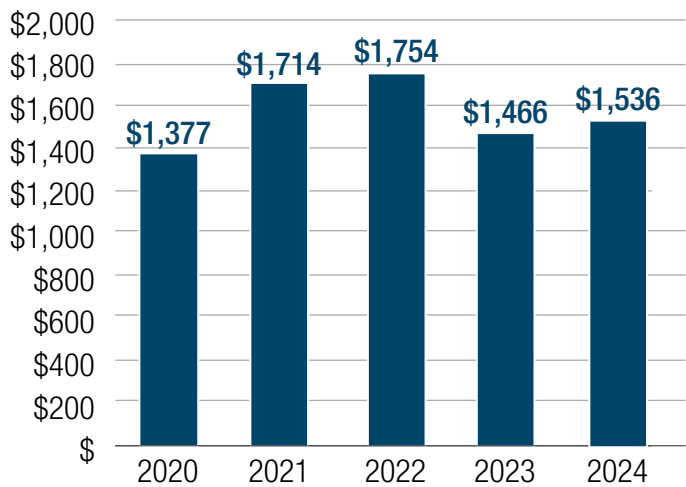
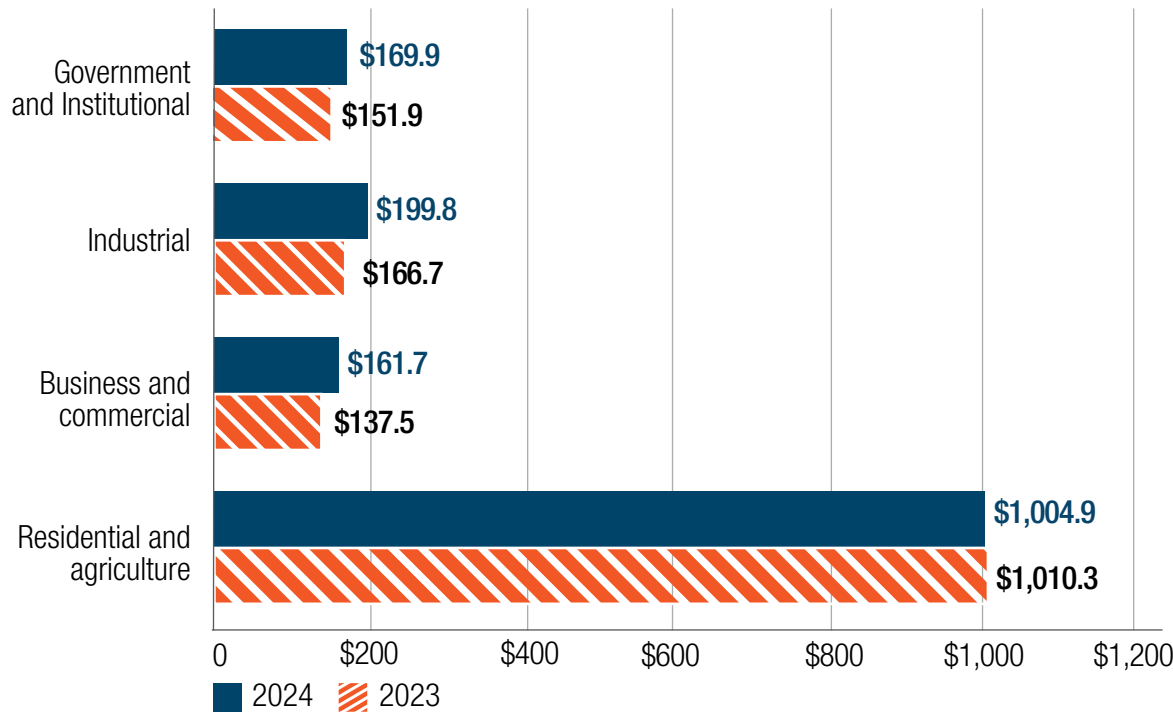


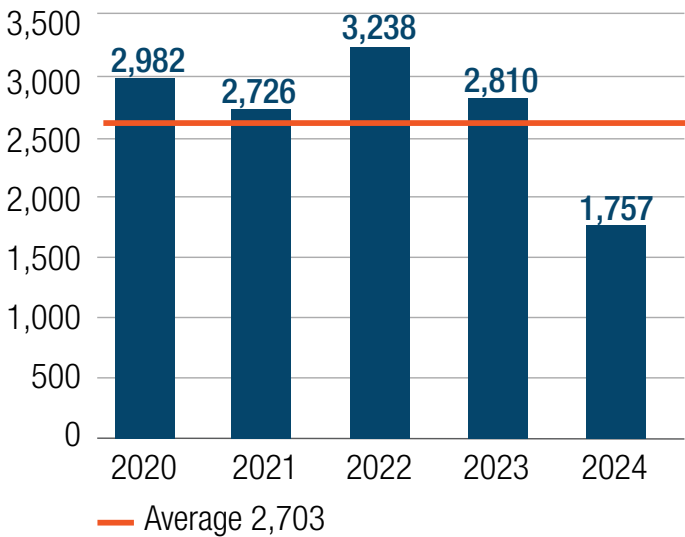
Figure 8: Types of Building Permits Issued in 2024 (In millions of dollars)



Housing Starts

This year, the Niagara region saw a decrease (37 per cent over 2023) in the number of housing starts during the year. In 2024, there was a total of 1,757 housing starts in Niagara. The five year average is 2,703 housing starts per year.

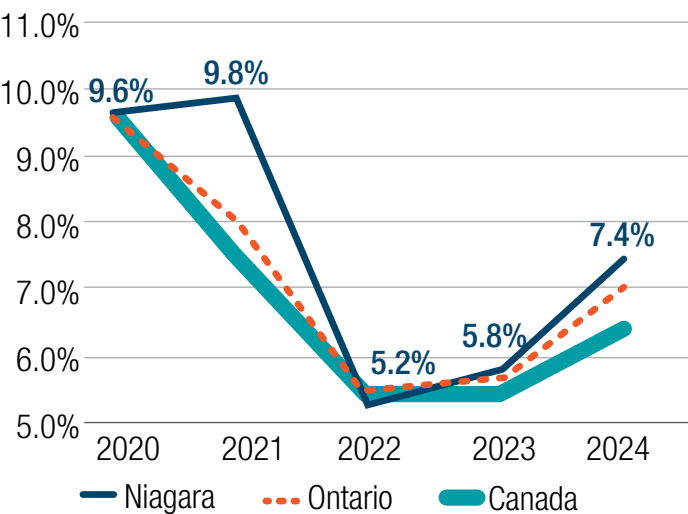
Figure 9: Housing Starts



Unemployment Rates

Niagara region’s unemployment rate has increased slightly in 2024. The Niagara region ended 2024 with an unemployment rate of 7.4 per cent, which is higher than the 2023 rate of 5.8 per cent.

Figure 10: Unemployment Rates (per cent)



Niagara Outlook and Trends

Post-pandemic, economic growth in Niagara region has slowed, primarily due to outside factors such as supply chain challenges, high inflation and interest rate increases. Despite this, Niagara is still a place where businesses want to locate, the most notable being a \$1.56-billion investment from Asahi Kasei. In 2024, the tourism sector saw 11 per cent growth over 2023, the agriculture sector contributed more than \$1.71 billion to GDP and overall 13,000 jobs were created representing a 6 per cent increase. With new challenges on the horizon, Niagara Region remains focused on leveraging positive contributions to provide the best possible value for its core services and programs.

Infrastructure

Niagara Region oversees infrastructure assets worth more than \$12.1 billion in replacement value. These assets are critical for delivering the Region's services and they support transportation, transit, water and wastewater, waste management, public health, emergency medical services, community housing, seniors services, children's services, social assistance, facilities, information technology, court services and policing.

The Corporate Asset Management plan that spans over the next ten to fifty years presents the state of the Region's assets, service levels and risks related to maintaining the assets. The investment is required over a long period of time to ensure we bring our assets to improved conditions. It also covers the financial investments needed to support and sustain the Region's level of service. The plan is the foundation for on-going financial strategies and budget recommendations for maintaining the Region's infrastructure, addressing a \$2.8 billion asset backlog and prioritizing a desired average annual renewal investment of \$585 million.

In 2024, more than \$100 million was spent to build, improve and maintain the Region's vital infrastructure. This includes key projects like the Eastside Pumping Station forcemain replacement, a new Barrick Road watermain, rehabilitation of McLeod Road and the J.R. Stork Bridge rehabilitation.



Reconstruction of Regional Road 42 (Ontario Street)



In 2024, more than
\$100 million
was spent to build,
improve and maintain
the Region's vital
infrastructures



Housing and Affordability

Niagara is not alone in tackling the complex problems of homelessness and housing affordability. For housing to be affordable, it should cost less than 30 per cent of a household's total annual income. In Niagara, that means between \$735 and \$1,313 per month for low- to moderate-income households. To meet the region's affordable housing forecasted demand by 2045, the identified need is approximately 20,700 community housing units with an estimated unit supply gap of 3,600 community housing units.



Riordon Street temporary shelter

Niagara Region's Affordable Housing Strategy addresses this by:

- Maintaining existing community housing stock
- Developing new community housing
- Supporting new housing builds
- Collaborating with local municipalities

Existing community housing stock includes more than 3,000 units owned by Niagara Region, more than 3,100 units from housing providers, 51 non-profit and co-operative housing programs, 1,049 households receiving the Canada-Ontario Housing Benefit and 1,336 rent supplement units. For those facing homelessness, Niagara Region opened two new temporary homeless shelters in 2024. We also helped 991 people successfully transition from emergency shelter to housing.

In August 2024, Regional Council endorsed a new Attainable Housing Strategy, which lays the groundwork for more diverse forms of housing in Niagara, including affordable housing and rental units. The Post-Secondary Student Housing Strategy, which is part of the Attainable Housing Strategy, was also developed in consultation with Brock University, Niagara College and the local municipalities. It is designed to optimize existing housing stock, enhance the availability and quality of student accommodations and address the growing housing needs of students.



Housing Statistics

- St. Catharines-Niagara has the **11th highest rents in Ontario**
- Average rent is **\$1,550 for a one-bedroom unit**
- Average rent is **\$1,800 for a two-bedroom unit**
- **26,000 households** need affordable housing
- There are **16,641 rental units** in St. Catharines-Niagara
- **83 per cent** are one-person households and **14 per cent** are lone-parent households

Niagara Region also continues to support the 2031 Municipal Housing Targets that have been set out by the provincial government. With a goal of creating 1.5 million new homes by 2031, the Region is making strides to reach this number for their designated targets. With goals of 11,000 set for St. Catharines, 8,000 for Niagara Falls and 4,300 in Welland, 1,330 new homes have been built or started in St. Catharines, 1,564 in Niagara Falls and 1,929 in Welland by the end of 2024.

Aging Population

The region's population is currently more than half a million and is anticipated to grow to nearly 700,000 by 2051. More than 23 per cent of Niagara's population is aged 65 and older.

Population's Median Age

46.0 Years -Niagara¹

39.6 Years - Ontario ²

40.3 Years - Canada ³

¹ Source: 2021 Census

² Statistics Canada

³ Statistics Canada

As of 2021, out of all large urban areas in Canada, St. Catharines-Niagara had the third highest proportion of people aged 85 and older at 3.2 per cent compared to a national average of 2.3 per cent.

With this aging population comes increased need for some of Niagara Region's services, such as emergency medical services, seniors services, housing and transit. Provincial services, such as hospitals and health care, are also facing greater demand.

To meet these needs, Gilmore Lodge long-term care home opened in 2024, adding 160 beds for seniors. Investment continues in the Linhaven long-term care facility, which will ensure Niagara's seniors continue receiving a high standard of care into the future.

Last year over 1,000 seniors in need were helped by rapid response support. Niagara Region also directly supported 2,600 seniors through community programs and provided breaks for families caring for loved ones through 10,500 respite companion visits.

Niagara Region has committed to contributing \$2.2 million per year until 2055 for the South Niagara and West Lincoln Memorial hospitals. It is also spending \$4 million over four years to fund Hospice Niagara and \$1.1 million over five years for Hospice McNally.



Seniors and staff at Seniors Community Programs Adult Day Program





Pride flag raising at Niagara Region Headquarters

Climate Change

Niagara Region is part of a national network of 500 plus municipalities acting on climate change as part of the Partners for Climate Protection program. Managed and delivered by the Federal of Canadian Municipalities and Local Governments for Sustainability (ICLEI), the program helps municipalities act on climate change.

In 2018, staff completed a greenhouse gas inventory, which identified the Region's major emission sources and in 2023 Regional Council endorsed a target of achieving net-zero emissions by 2050. These steps fulfilled milestones one and two of the Partners for Climate Protection program. Throughout 2024, staff developed the Corporate Climate Change Action Plan, aimed at reducing emissions by 17.9 per cent by 2028. With approval of the plan, Niagara Region will achieve the program's fourth milestone.

On the ground, Niagara Region is addressing climate change in its long-term care homes. Progress was made on improving the heating systems, toilets and laundry systems. This reduced electricity consumption, significantly lowered natural gas bills and decreased water use.

Addressing climate change goes beyond Niagara Region's efforts in its own buildings. In 2024, Regional Council approved the Niagara Electric Vehicle Blueprint for developing the electric vehicle sector. This framework aims to guide the region through the transition to producing zero emission vehicles. It addresses complex industry issues like supply chain development and infrastructure investments.

It also looks at the human element by considering the workforce that's needed, how to provide skills training for complex technical jobs and coordinating stakeholders to work toward the same goal.

Diversity, Equity and Inclusion

Implementation of the Diversity, Equity and Inclusion Action Plan 2023–2027 continued. The plan envisions a Niagara region that is welcoming and inclusive, where diversity and equity are reflected and valued. The mission is that the people of Niagara advance equity, build welcoming, inclusive communities and workplaces, while eliminating barriers and forms of discrimination.

As of December 2024, the Plan has a 38 per cent completion rate. Of the 44 action items, 12 are completed, 11 are progressing, and 21 are upcoming. Five action items were completed in 2024.

Thirty-one employees were recognized through the Corporate Employee Recognition Program and Team Awards for their contributions to advancing diversity, equity, and inclusion. At the end of 2024, 80 per cent of all active staff completed Diversity, Equity, and Inclusion Fundamentals e-modules, including 87 per cent of People Leaders. Ninety-six per cent of People Leaders (383) participated in a one-hour in-person training on Inclusive Leadership.

The 2024 Calendar of Significant Events was used to provide monthly summaries of 247 significant dates and 45 individual spotlight dates. In 2024, the monthly summaries had 2,700 total views and the spotlight date posts had 4,195 total views.



Missing and Murdered Indigenous Women, Girls, and 2SLGBTQI+ people Ceremonial Walk

Indigenous Relations

Community engagement for the Niagara Region Indigenous ReconciliAction Plan continued in 2024 with revisions discussed with community leaders and members from multiple organizations. Two Joint Roundtable meetings were held with Niagara Region Corporate Leadership Team and Executive Directors from local Indigenous organizations. Niagara Region also supported Indigenous considerations through the Community Safety Well Being committee, Guns and Gangs community grant review, the Poverty Reduction Plan and the Niagara Prosperity Initiative.

Seniors Services included Indigenous Cultural Safety Training in their Annual Professional Development, with 1,207 staff completing the training. Niagara Region promoted the Moosehide campaign by distributing Moosehide squares to all employees. These squares represent standing up against violence towards Indigenous women and girls. Niagara Region recognized the following important dates through education, communications, flag ceremonies, or guest speakers:

- National Day of Awareness for Missing and Murdered Indigenous Women, Girls, and Two-Spirit
- Pride/Two-Spirit Month
- Orange Shirt Day/National Day for Truth and Reconciliation
- Indigenous Veterans Day
- Louis Riel Day
- 16 Days of Activism Against Gender-Based Violence

Advocacy

Of Niagara Region's budget, 95 per cent is for essential or provincially mandated programs. Despite this, a prior KPMG study found Niagara Region taxes as a percentage of household income are the lowest compared to five upper-tier municipalities.

In an ever-changing economic landscape, meeting the challenge of delivering high-value, high-quality services and programs while supporting growth and being environmentally responsible requires participation from all levels of government. Provincial changes to the responsibilities of the Niagara Regional Police Service have incurred more than \$10 million in new costs with no financial support from the province for municipalities like Niagara. Federal and provincial money is also needed for key Regional projects to ensure housing development targets are met.

During Niagara Week 2024 at Queen's Park, Council and staff representatives held eight productive meetings with provincial Cabinet members. Meaningful discussions covered initiatives that will help meet shared provincial-Regional priorities and support Niagara's growth. Direct advocacy requests included funding for the South Niagara Wastewater Treatment Plant, co-investment in a St. Catharines affordable housing project, a reintroduction of the Municipal Modernization Program to support shared services with local municipalities and all day, two-way GO train service.



Consolidated Financial Statement Highlights

The consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards 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, Niagara Transit Commission and Court Services. The statements also reflect the proportionate consolidation of the Canada Games Park facility in which the Region holds a 25 per cent ownership interest. The four-member consortium group consists of the Region, City of St. Catharines, City of Thorold and Brock University.

The Municipal Act of Ontario requires Niagara Region to appoint an independent auditor to express an opinion as to whether the financial statements are presented 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 if required, a 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 unqualified audit opinion.

Dufferin Island,
Niagara Falls.
Photo by: Paula McLaren



Consolidated Statement of Financial Position

The consolidated statement of financial position reports on Niagara Region’s financial and non-financial assets, liabilities and accumulated surplus at December 31, 2024.

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.

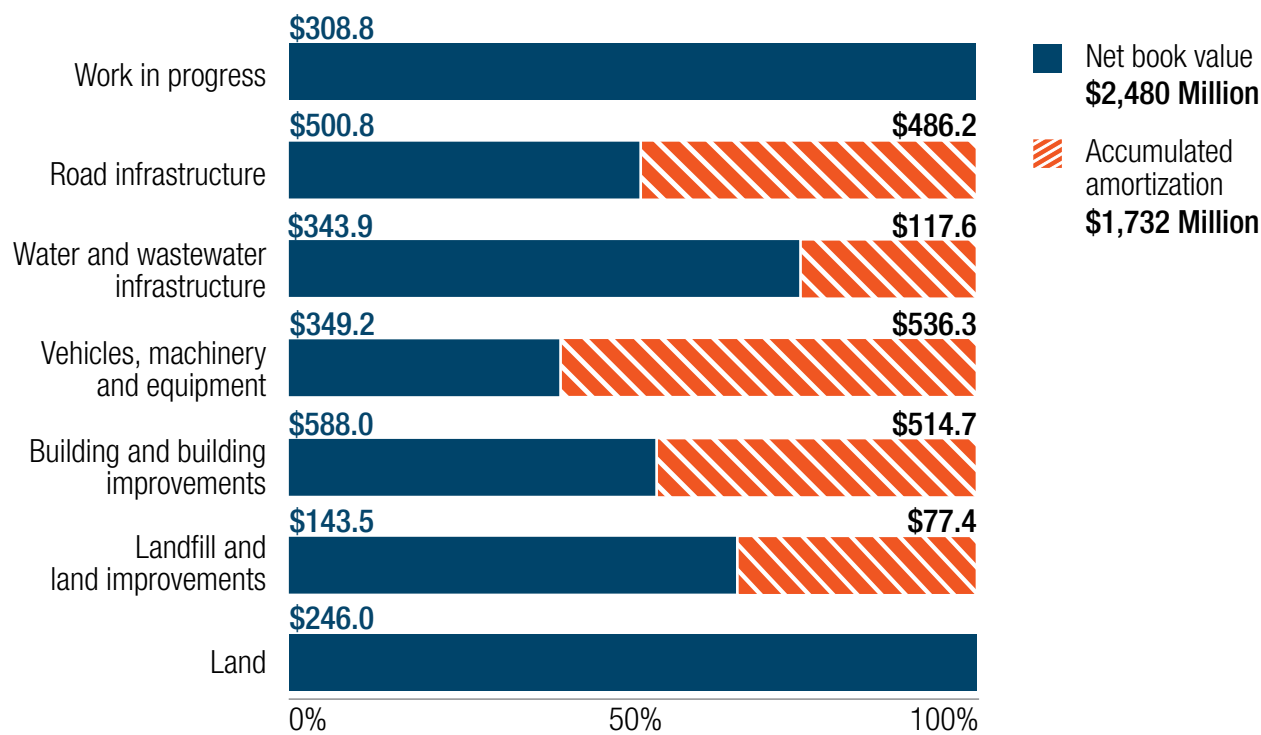
The net book value of tangible capital assets, as reported in the consolidated statement of financial position, is \$2.5 billion and is highlighted by the categories in the accompanying chart. Total historical costs are \$4.2 billion, and the total accumulated amortization is \$1.7 billion, implying that 41 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 \$213 million (2023 - \$350 million) of tangible capital assets. The amortization expense, as reported in the statement of operations, amount to \$120.4 million (2023 - \$107.7 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.

Figure 11: Tangible Capital Assets
Net Book Value and Amortization (in millions of dollars)

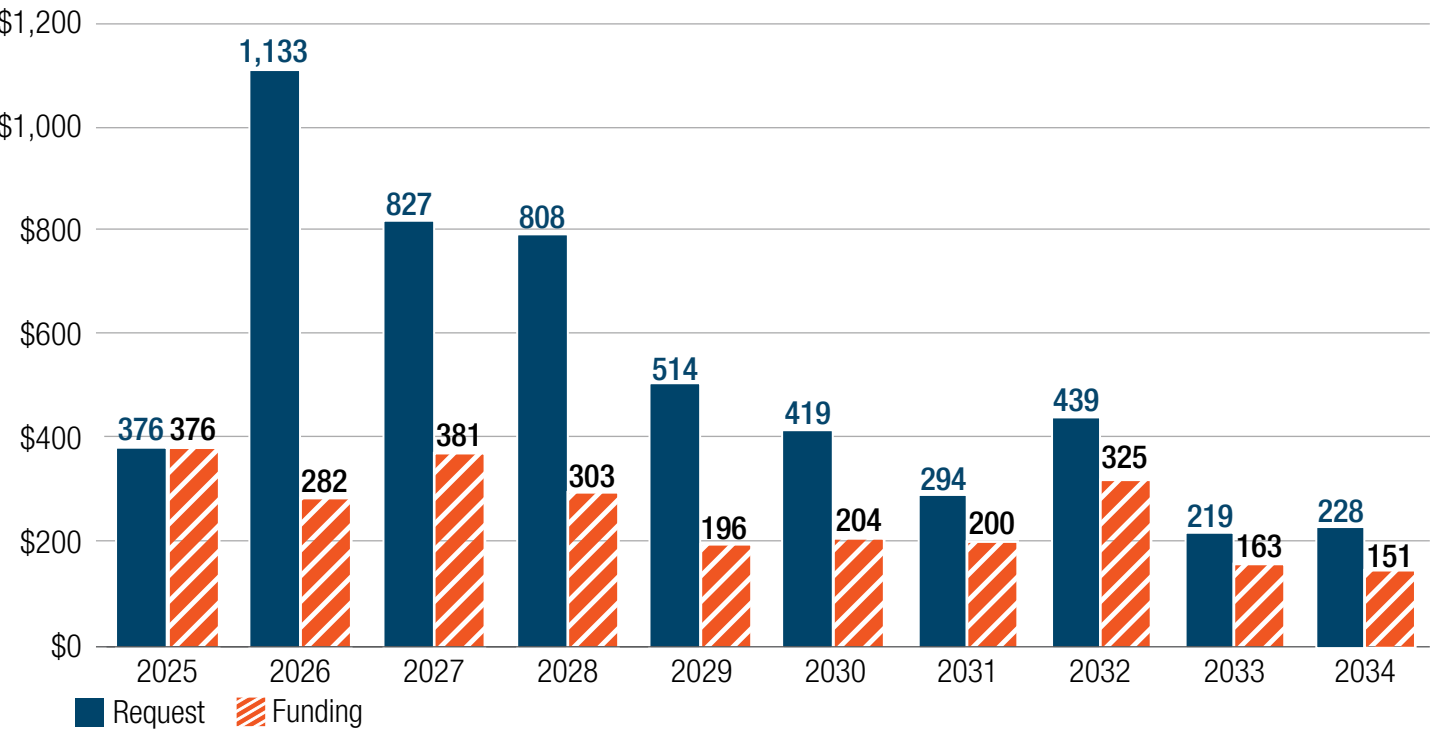


The Niagara Region’s Capital Financing Policy is focused on ensuring long-term financial sustainability and flexibility while maintaining a strong credit rating and adherence to statutory requirements. Policy principles will be implemented over time to manage affordability associated with the transition 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	\$5,257 million
Total funding	\$2,582 million
Funding gap	\$2,676 million

Figure 12 illustrates the deviations between gross capital requests and funding sources available within each year based on projections made during the 2025 budget process.

Figure 12: 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 and asset management plans are guided by the Capital Financing Policy. The Region utilizes reserves, grant funding and debt in the financing of the capital program. As part of the CSD 37-2024 Debt Strategy Update report to Council, debt financing will continue to be used for growth and strategic investment projects to align the operating impact of the investment to revenue recovery from tax and rate-payers who benefit from the infrastructure in the future.

Figure 13 illustrates the annual projected debt levels over the next 10 years for approved debt.

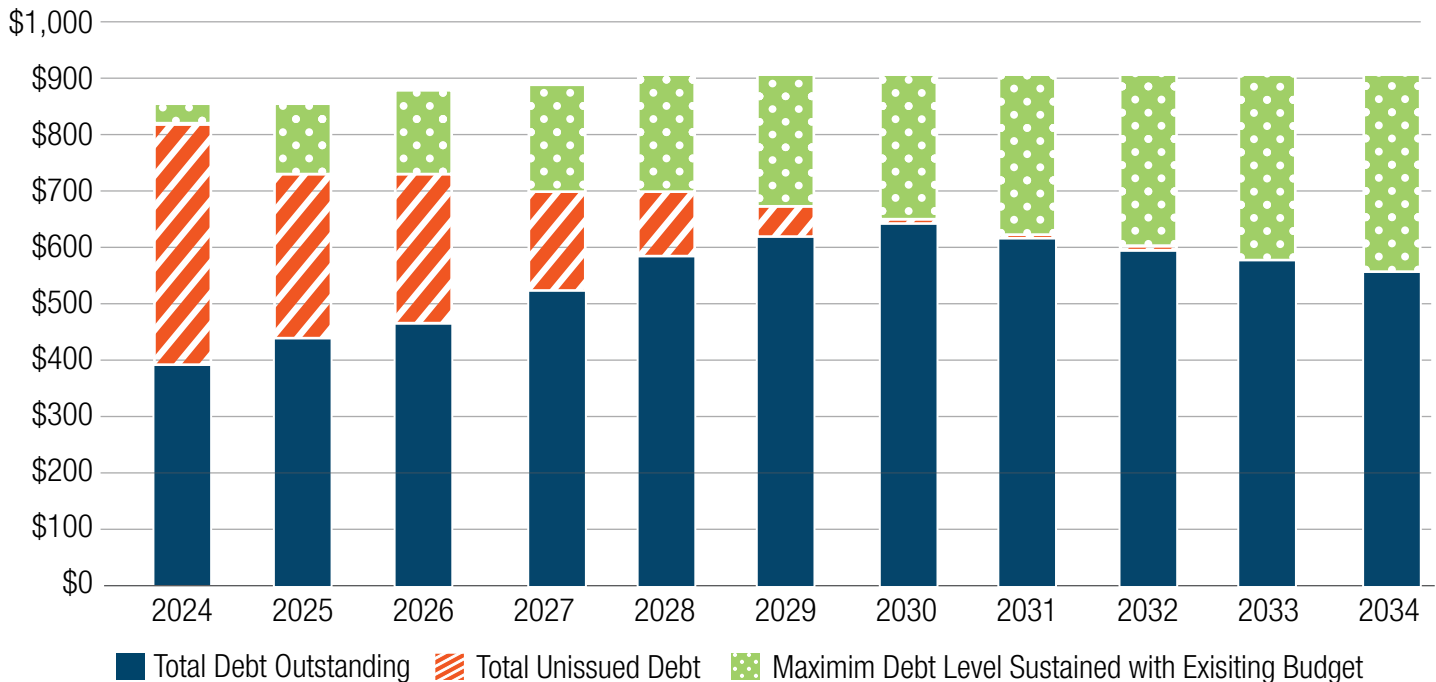
The projected peak in total debt outstanding, anticipated in 2030, is largely due to the expected completion of the South Niagara Wastewater Treatment Solution. This timeline remains an estimate, as staff are actively engaging with intergovernmental partners to secure grant funding before moving forward with the project.

Following this peak, the Region’s debt levels are forecasted to decline, reflecting a revised debt management strategy. This updated approach involves a more conservative use of debt within the capital budget to mitigate the long-term financial impact of significant infrastructure investments.

The maximum allowable debt capacity is projected to increase, driven by expectations of declining interest rates. The Region is taking a prudent approach by not recommending new debt issuance in the short term. This decision aligns with the projected doubling of the debt burden among Local Area Municipalities over the next five years. As such, starting in 2030, no unissued debt is anticipated in the forecast in hopes of sustaining the current S&P rating of AA+. The Region will reduce the amount of debt required to fund capital programs by ensuring adequate funds are approved in the annual base budget to sustain the capital replacement program; transferring funds from capital reserves to pay-as-you-go capital projects.

The Region is also enhancing coordination with Local Area Municipalities to improve the accuracy of annual debt forecasts, enabling better financial planning and the development of a more sustainable and transparent debt model.

Figure 13: Forecasted Debt Outstanding (In millions of dollars)



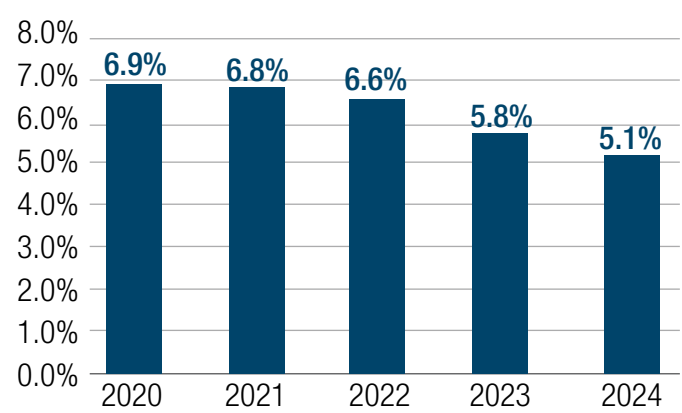
Additionally, establishing guidelines for allocating Infrastructure Ontario dept capacity based on debt terms (20 plus years) and limiting the amount of capital projects with terms greater than 20 years will provide a way to prioritize debt requests when demand exceeds available debt room.

Overall, the Region remains committed to collaborative debt planning with Local Area Municipalities and the adoption of consistent, fiscally responsible strategies to ensure adequate and sustainable funding for capital projects.

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 5.1 per cent (2023 – 5.8 per cent) at the end of 2024.

Figure 14: Debt Payments as a Per Cent of Own Source Revenues (per cent)



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 \$758 million (2023 - \$710 million), which includes \$365 million (2023 - \$343 million) of debt recoverable from others. Debt recoverable from others accounts for 48.2 per cent of the total debt recorded at the end of 2024 (2023 – 48.4 per cent).

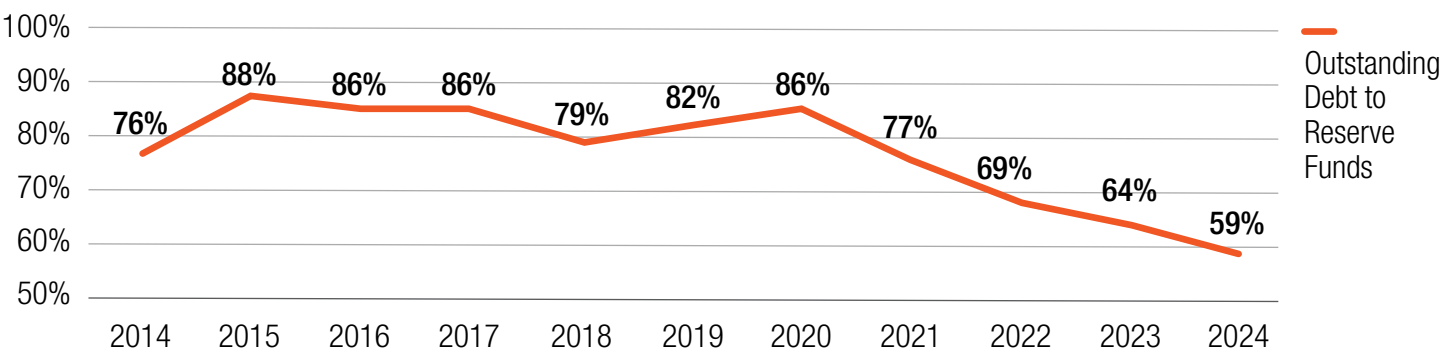
On October 8, 2024, S&P reaffirmed Niagara Region’s rating of AA+. The rating reflects the views on Canadian municipal governments’ improved institutional framework. The rating also incorporates S&P’s opinion of Niagara’s exceptional liquidity, strong budgetary performance and financial management, and moderate debt burden.

Highlights of the report also note that, while unlikely in the next two years, Niagara Region could receive a stronger rating if the Region demonstrated significant and sustained economic and demographic improvement through healthier growth in population and household incomes, more in line with that of Canada, and its after-capital deficits improved to a balance position.

As a result of the trends identified by S&P, in the 2024 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.

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. **Figure 15** 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.

Figure 15: Outstanding Debt to Reserve Funds (per cent)



Net Financial Assets (Net Debt)

Public Sector Accounting Standards require the Niagara Region to distinguish between financial and physical assets. Financial assets are those assets on hand, which would provide resources to discharge liabilities of 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 2024, Niagara Region’s net debt position decreased from \$188.1 million to \$147.1 million. The Region’s net debt is a result of all the financial activity that occurred in 2024 and means that the Region’s financial liabilities exceed its financial assets. The decrease in net debt is mainly driven by the increase in cash and investments resulting from timing of expenditures committed to several multi-year projects.

Accumulated Surplus

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

At December 31, 2024, Niagara Region’s accumulated surplus balance is \$2.4 billion (2023 - \$2.2 billion). The accumulated surplus is made up of amounts invested in tangible capital assets, unexpended capital finding, reserve balances and is offset by an operating fund deficit and unfunded liabilities. Amounts are shown in **Figure 16**.

Figure 16: Breakdown of Accumulated Surplus (in millions of dollars)

Category	Amount (\$)	Percentage of Total Accumulated Surplus
Invested in tangible capital assets	\$2,083.8	87.6%
Unexpended capital financing	308.9	13.0%
Reserves	264.5	11.1%
Operating fund	(9.7)	-0.4%
Canada Summer Games Park	24.3	1.0%
Unfunded liabilities	(293.7)	-12.3%
Accumulated Surplus	\$2,378.1	100.0%



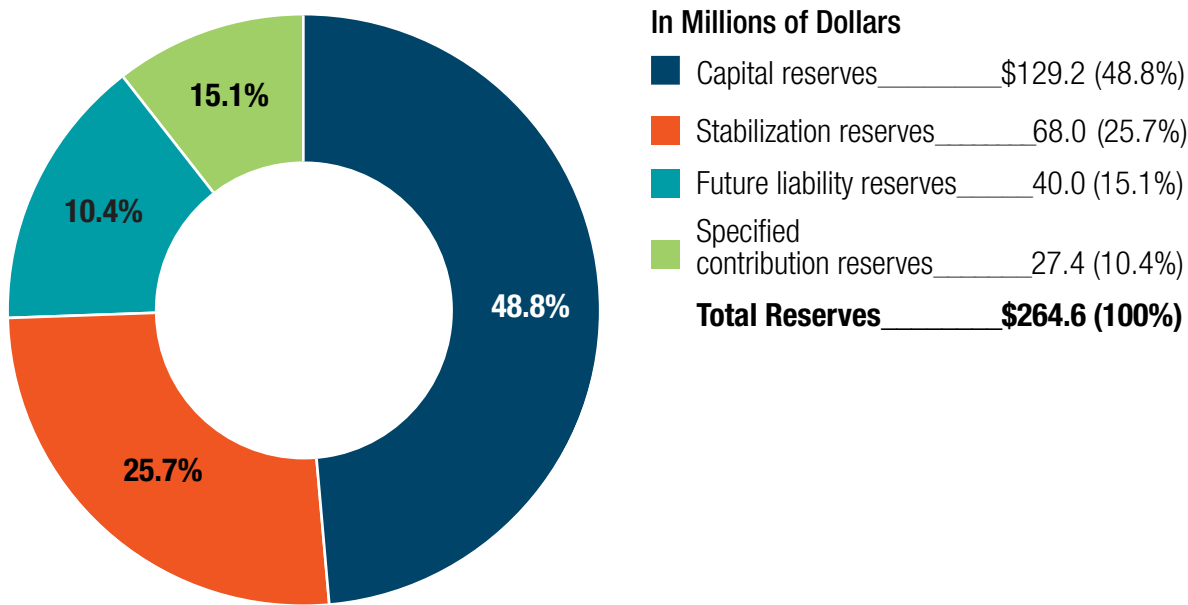
Reserves

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.

Niagara Region’s reserves of \$265 million at December 31, 2024 are highlighted in **Figure 17** to the right by their designated purpose.

The Reserve and Reserve Fund policy states minimum target balances for corporate stabilization reserves to be 10 per cent to 15 per cent of gross budgeted expenditures. As of December 31, 2024, and taking into consideration Regional Council’s approved year end transfer recommendation, the Region’s Taxpayer Relief Stabilization Reserve, Transit Stabilization Reserve, and the Wastewater Stabilization Reserve are below the minimum target balance. The Water Stabilization and Waste Management Reserves are on target, having achieved or exceed the 15 per cent target balance.

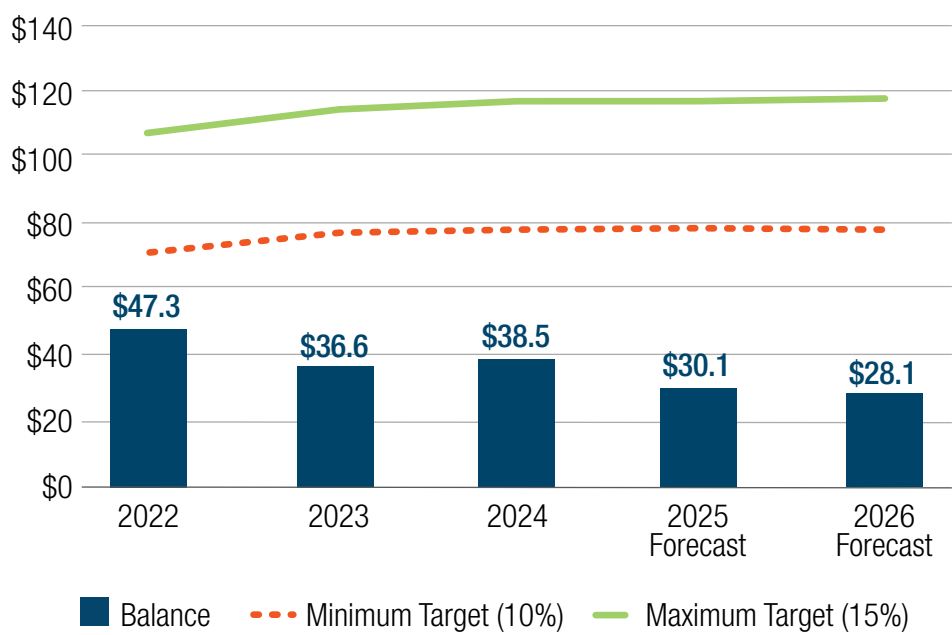
Figure 17: Reserves
(In per cent and millions of dollars)



The Taxpayer Relief Stabilization Reserve has seen a slight decrease in balance over the prior year. The balance remains comparable, decreasing from \$69.5 million in 2023 to \$68.0 million in 2024. In line with the 2024 budget, \$4.0 million was drawn for Council Reverse Draw related to the Tax Mitigation Strategy in 2024 resulting in a decrease over the prior year. Additionally, \$2.4 million as a one-time budget strategy for homelessness was required to be transferred from the Taxpayer Relief Stabilization Reserve. These draws were offset by the 2024 surplus. The Taxpayer Relief Reserve continues to be below the minimum funding target.

At December 31, 2024, the Tax Levy Stabilization Reserve is underfunded by a range of \$39.2 to \$78.0 million.

Figure 18: Tax Levy Stabilization¹ (In millions of dollars)



¹ Taxpayer Relief Reserve



Figure 19: Waste Management Stabilization Reserve Balances

(In millions of dollars)

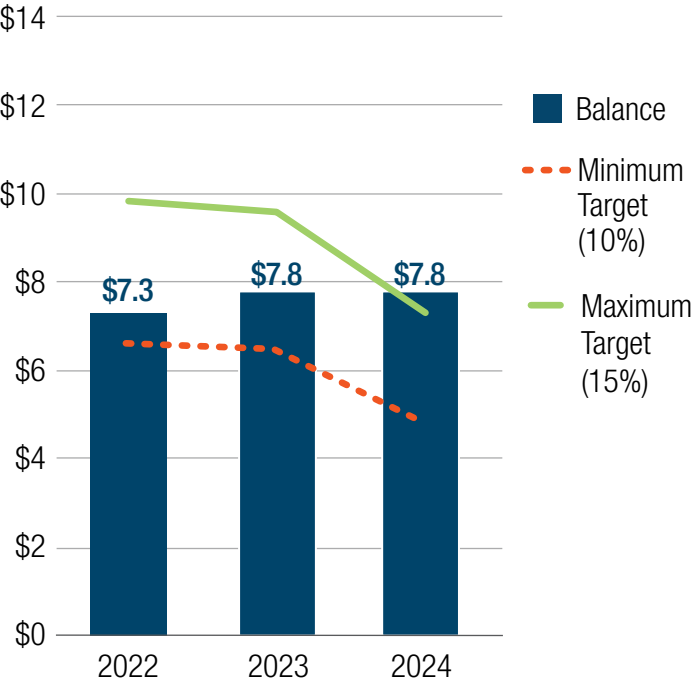


Figure 20: Transit Stabilization Reserve Balances

(In millions of dollars)

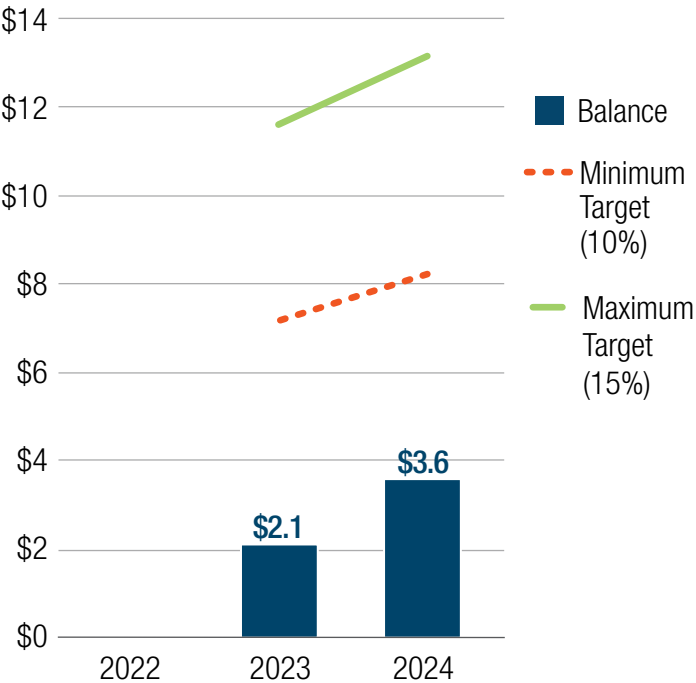


Figure 21: Water Management Stabilization Reserve Balances

(In millions of dollars)

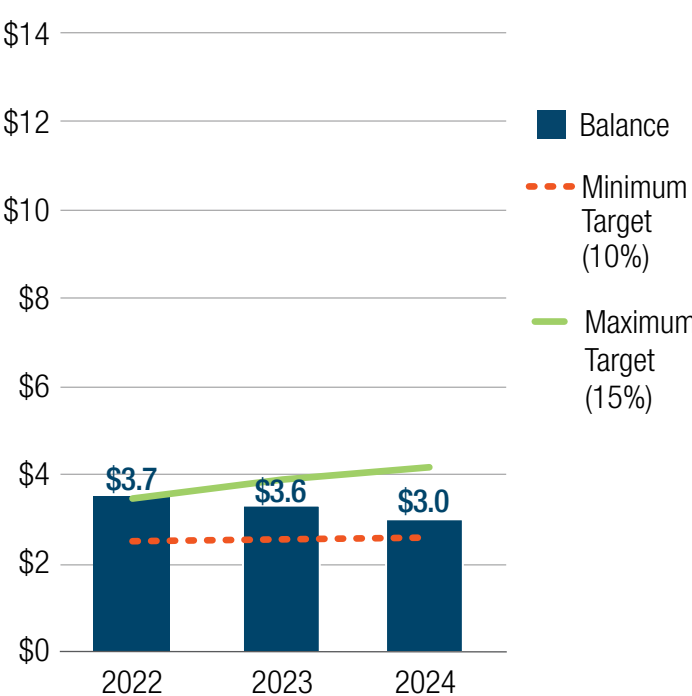
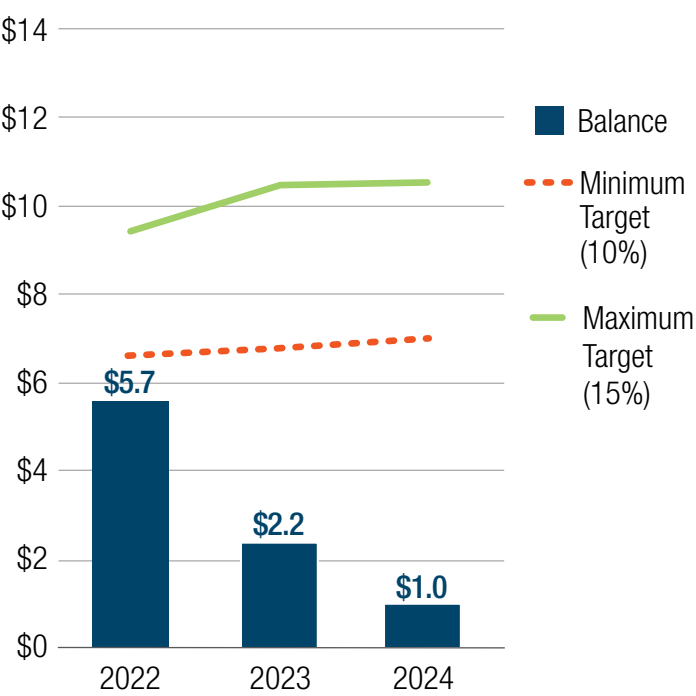


Figure 22: Wastewater Management Stabilization Reserve Balances

(In millions of dollars)

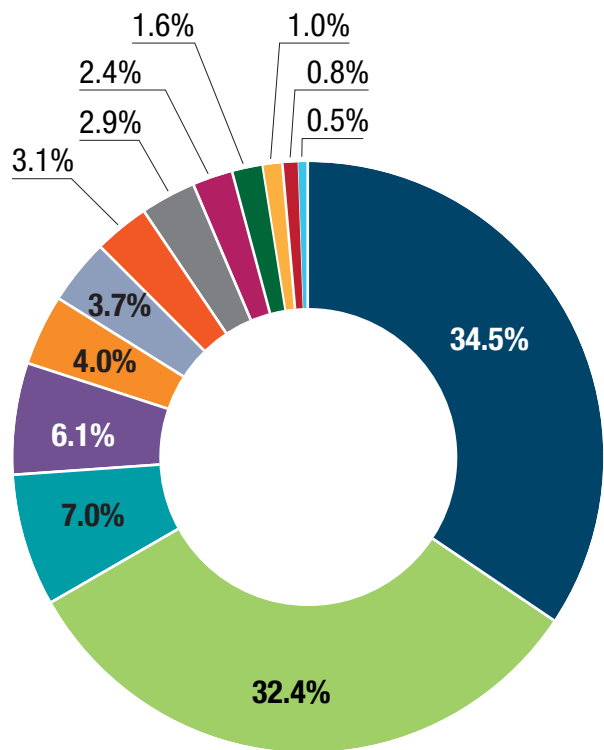


Consolidated Statement of Operations Highlights

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 \$128.5 million (2023 - \$183.8 million) surplus in accordance with Canadian Public Sector Accounting Standards. This fluctuation can be explained by significant revenue and expense changes highlighted in this section.

Compared to 2023, Niagara Region’s total revenues for 2024 reflect a net decrease of \$2.8 million. This decrease is primarily driven by a reduction in contributed tangible capital asset revenue offset by an increase in property tax revenue and Province of Ontario grants. In 2023, the Region recognized \$78.1 million in contributed tangible capital asset revenue which was related to the amalgamation of the Niagara Transit Commission, when local municipal transit assets were consolidated under the new entity. As this was a one-time occurrence, the decrease in contributed tangible capital assets in 2024 to \$6.6 million reflects a return to normal levels.

Figure 23: Revenue By Source
(In per cent and millions of dollars)



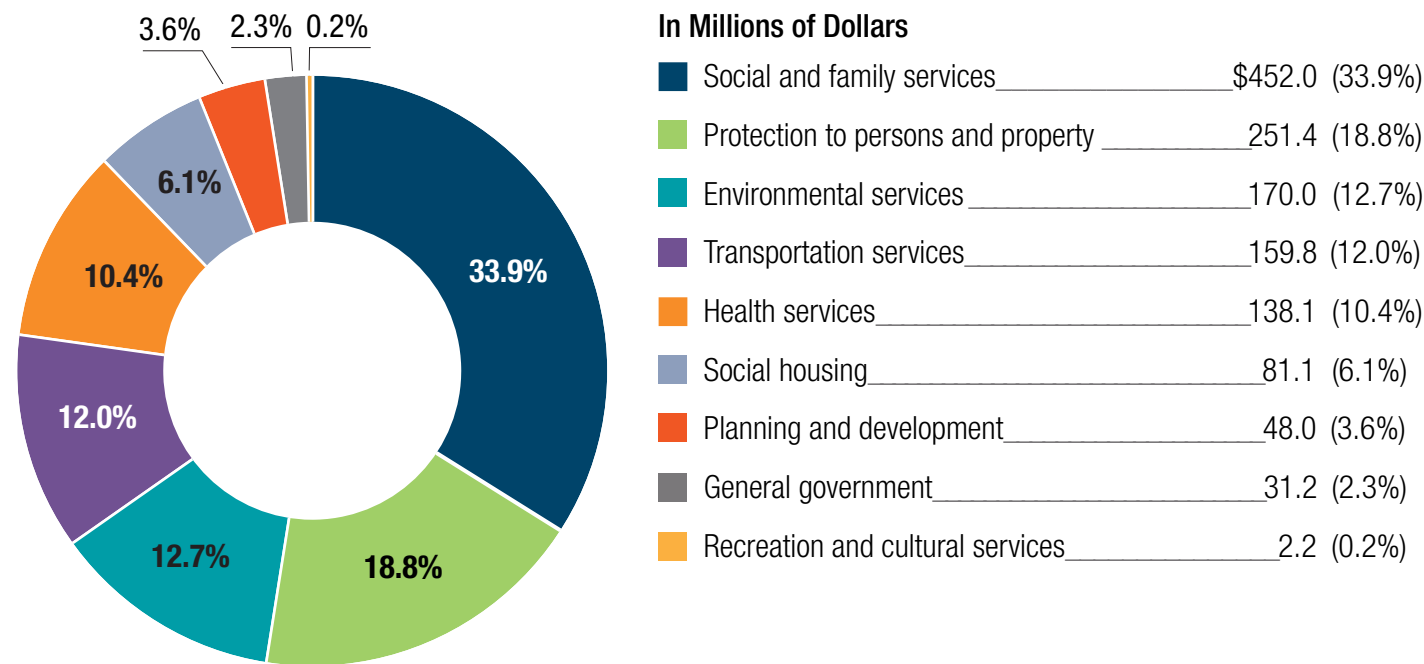
In Millions of Dollars		
Property taxpayer	\$504.1	(34.5%)
Province of Ontario grants	473.1	(32.4%)
Sewer charges	102.9	(7.0%)
User charges	88.6	(6.1%)
Transit special levy	59.0	(4.0%)
Water charges	54.3	(3.7%)
Waste management special levy	45.9	(3.1%)
Government of Canada grants	42.1	(2.9%)
Development charges	35.6	(2.4%)
Other	23.5	(1.6%)
Investment income	14.5	(1.0%)
Court services fines	11.8	(0.8%)
Contributed tangible capital assets	6.6	(0.5%)



Compared to 2023, Niagara Region’s expenses overall reflect an increase of \$52.5 million. Higher expenses in 2024 related to increased costs experienced in Protection to Persons and Property of \$22.5 million, mainly driven by inflationary pressures in policing. Additionally, higher expenses in social and family services of \$50.4 million were driven by an increased social assistance caseload.

Figure 24: Expenses by Function

(In per cent and millions of dollars)



2024 Approved Budget Compared to Financial Statements

A balanced 2024 operating and capital budget was approved by Regional Council on December 14, 2023.

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 asset retirement obligations, 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.

Figure 25 identifies the components that move Niagara Region from its approved balanced budget to the Canadian Public Sector Accounting Standards financial statements presented throughout the annual report.

Figure 25: 2024 Approved Budget Compared to Financial Statements

(In thousands)	Approved Budget	2024	2023
Based on budget approach			
Water and Wastewater (deficit) surplus	\$-	2.3	(3.5)
Waste Management surplus	-	3.7	3.5
Niagara Transit Commission surplus	-	1.5	2.1
Levy surplus (deficit)	-	10.1	5.0
Operating surplus total	-	17.6	7.1



2024 Approved Budget Compared to Financial Statements (Continued)

(In thousands)

	Approved Budget	2024	2023
Capital Public Sector Accounting Standards Adjustments			
Recognize amortization	(120.7)	(120.4)	(107.7)
Recognize accretion	2.7	2.7	(3.7)
Recognize in-year capital program revenues	65.1	66.3	86.7
Recognize capital fund expenditures resulting in operating expenses	(6.1)	(3.0)	(7.2)
Recognize operating fund expenditures resulting in capital assets	2.9	2.9	2.3
Recognize gain (loss) on transfer of tangible capital assets	7.8	6.6	78.6
Recognize loss on disposal of assets	(0.1)	(0.2)	(12.7)
Capital Subtotal	(48.4)	(45.1)	36.4
Funded Public Sector Accounting Standards Adjustments			
Remove principal debt repayments	52.4	31.5	34.2
Remove net transfers to reserves (including interest allocation)	111.6	132.4	114.1
Remove sinking fund activity	-	2.2	0.7
Funded Subtotal	164.0	166.1	149.0
Unfunded Public Sector Accounting Standards Adjustments			
Recognize power dams liability	-	0.4	0.4
Recognize change in unfunded employee future benefits liability	(10.3)	(10.3)	(9.1)
Recognize share of Canada Summer Games Park operations	-	(0.3)	(0.0)
Unfunded Subtotal	(10.3)	(10.2)	(8.7)
Annual surplus per Public Sector Accounting Standards consolidated financial statements	105.3	128.4	183.7



Audit Committee

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 any 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

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.

Conclusion

Providing service to 539,180 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.



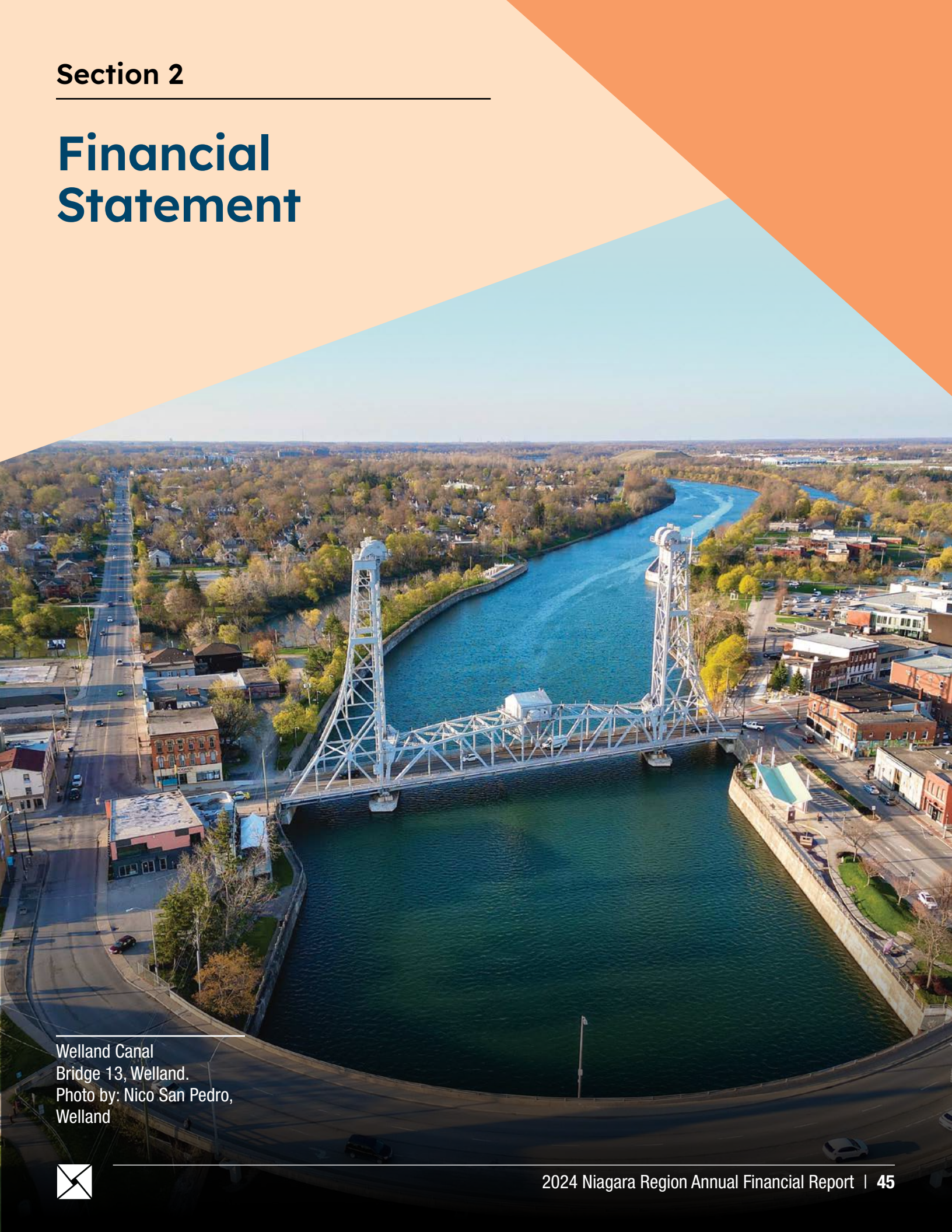
Dan Carnegie

Commissioner of Corporate Services/Treasurer
May 22, 2025



Section 2

Financial Statement



Welland Canal
Bridge 13, Welland.
Photo by: Nico San Pedro,
Welland

THE REGIONAL MUNICIPALITY OF NIAGARA

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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 KPMG 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.

Dan Carnegie,

Commissioner of Corporate Services/Treasurer

May 22, 2025

**KPMG LLP**

80 King Street, Suite 620
St. Catharines, ON L2R 7G1
Canada
Telephone 905 685 4811
Fax 905 682 2008

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of the Regional Municipality of Niagara

Opinion

We have audited the consolidated financial statements of the Regional Municipality of Niagara (the "Region") which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations for the period ended December 31, 2024
- the consolidated statement of change in net debt for the period ended December 31, 2024
- the consolidated statement of cash flows for the period ended December 31, 2024
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements for the year-ended December 31, 2024 is prepared, in all material respects, in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Other Matter

The financial statements of the Regional Municipality of Niagara as at and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 23, 2024.



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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

St. Catharines, Canada

May 22, 2025

THE REGIONAL MUNICIPALITY OF NIAGARA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024 (In thousands of dollars)

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 157,703	\$ 107,166
Investments (note 3)	910,922	845,442
Accounts receivable (note 4)	138,902	125,519
Other assets	727	1,030
Debt recoverable from others (note 9(e))	365,485	343,472
	1,573,739	1,422,629
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	207,360	217,859
Employee future benefits and post-employment liabilities (note 5)	151,355	140,995
Deferred revenue (note 6)	456,306	386,326
Asset retirement obligations (note 7)	140,275	151,110
Contaminated sites liability (note 8)	3,563	576
Long-term liabilities (note 9)	757,934	709,742
Capital lease obligation (note 10)	4,018	4,082
	1,720,811	1,610,690
Net debt	(147,072)	(188,061)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	2,480,258	2,396,341
Inventory	12,928	13,702
Prepaid expenses	30,494	26,848
Other investment	1,575	875
	2,525,255	2,437,766
Accumulated surplus (note 12)	\$ 2,378,183	\$ 2,249,705

Commitments (note 14)

Contingent liabilities (note 15)

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, 2024 (In thousands of dollars)

	2024 Budget (note 20)	2024 Actual	2023 Actual
REVENUES (note 19)			
Taxation and user charges:			
Levies on area municipalities	\$ 604,734	\$ 609,064	\$ 568,943
User charges	241,625	245,793	232,699
	846,359	854,857	801,642
Government transfers (note 18):			
Government of Canada	40,685	42,121	42,855
Province of Ontario	464,032	473,148	439,613
Other municipalities	856	1,038	1,123
	505,573	516,307	483,591
Other:			
Development charges earned	42,215	35,602	51,512
Investment income	23,413	14,481	16,728
Provincial offences	9,909	11,791	8,111
Contributed tangible capital assets	6,629	6,633	78,106
Miscellaneous	14,813	22,490	25,245
	96,979	90,997	179,702
Total revenues	1,448,911	1,462,161	1,464,935
EXPENSES (note 19)			
General government	49,129	31,158	50,272
Protection to persons and property	248,018	251,378	228,939
Transportation services	162,917	159,784	150,912
Environmental services	188,706	169,979	182,434
Health services	137,716	138,094	141,821
Social and family services	433,006	452,008	401,646
Social housing	83,477	81,105	80,579
Recreation services	1,877	2,194	1,801
Planning and development	39,204	47,983	42,757
Total expenses	1,344,050	1,333,683	1,281,161
Annual surplus	104,861	128,478	183,774
Accumulated surplus, beginning of year	2,249,705	2,249,705	2,065,931
Accumulated surplus, end of year	\$ 2,354,566	\$ 2,378,183	\$ 2,249,705

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, 2024 (In thousands of dollars)

	2024 Budget (note 20)	2024 Actual	2023 Actual
Annual surplus	\$ 104,861	\$ 128,478	\$ 183,774
Acquisition of tangible capital assets	(197,857)	(197,857)	(341,426)
Contributed tangible capital assets	(6,633)	(6,633)	(78,106)
Amortization of tangible capital assets	120,387	120,387	107,678
Loss on disposal/(Gain on sale) of tangible capital assets	111	111	(498)
Net proceeds on sale of tangible capital assets	75	75	13,165
Change in inventory	-	774	(3,135)
Change in prepaid expenses	-	(3,646)	(5,064)
Change in other investment	-	(700)	875
Change in net debt	20,944	40,989	(124,487)
Net debt, beginning of year	(188,061)	(188,061)	(63,574)
Net debt, end of year	\$ (167,117)	\$ (147,072)	\$ (188,061)

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, 2024 (In thousands of dollars)

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 128,478	\$ 183,774
Items not involving cash:		
Amortization of tangible capital assets	120,387	107,678
Loss on disposal/(Gain on sale) of tangible capital assets	111	(498)
Contributed tangible capital assets	(6,633)	(78,106)
(Abatement)/Accretion of asset retirement obligation	(2,670)	3,689
Change in employee future benefits and post-employment liabilities	10,360	9,089
Change in asset retirement obligations	(8,165)	-
Change in contaminated sites liability	2,987	-
Change in non-cash assets and liabilities (note 21)	43,529	55,861
Net change in cash from operating activities	288,384	281,487
CAPITAL ACTIVITIES		
Net proceeds on sale of tangible capital assets	75	13,165
Acquisition of tangible capital assets	(197,857)	(271,741)
Net change in cash used in capital activities	(197,782)	(258,576)
INVESTING ACTIVITIES		
Proceeds from disposals and redemptions of investments	227,188	18,375
Purchase of investments	(293,368)	(32,396)
Net change in cash used in investing activities	(66,180)	(14,021)
FINANCING ACTIVITIES		
Capital lease payments	(64)	(63)
Proceeds on long-term liabilities issued and assumed	60,299	6,258
Repayments of long-term liabilities	(31,450)	(34,167)
Increase in sinking fund assets	(2,670)	(2,498)
Net change in cash from (used in) financing activities	26,115	(30,470)
Net change in cash	50,537	(21,580)
Cash, beginning of year	107,166	128,746
Cash, end of year	\$ 157,703	\$ 107,166

THE REGIONAL MUNICIPALITY OF NIAGARA

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended December 31, 2024 (In thousands of dollars)

	2024	2023
Cash paid for interest	\$ 13,213	\$ 14,134
Cash received from interest	9,263	20,478
Investing and financing activities on behalf of others:		
Debt issued on behalf of others	57,000	43,159
Repayment made on behalf of others	34,806	35,108

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, 2024 (In thousands of dollars)

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”). A statement of remeasurement gains and losses has not been presented as there are no items to report.

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

Niagara Transit Commission

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

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

1. Significant accounting policies (continued):

ii) Investment in Consortium:

The Region, together with the City of St. Catharines, City of Thorold and Brock University, participates in a consortium ownership arrangement in respect of the newly constructed Canada Games Park facility. Each of the four (4) consortium members have a twenty-five percent (25%) ownership interest in the facility; however, the Region only has financial participation in the capital costs of the facility. The consortium is accounted for under the proportionate consolidation method. The Region accounts for its interest in the consortium on a line-by-line basis in the financial statements and eliminates any inter-organizational transactions and balances.

iii) 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.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

1. Significant accounting policies (continued):

(c) 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.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

1. Significant accounting policies (continued):

(c) Non-financial assets (continued):

(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.

(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.

(d) 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.

(e) 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.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

1. Significant accounting policies (continued):

(f) 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.

(g) 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.

(h) Investment income:

Investment income earned on surplus current fund, capital fund, reserves and reserve funds are reported as revenue in the period earned. Investment income earned on deferred development charge and gas tax balances is added to forms part of the deferred development charge and gas tax balances.

(i) 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 \$20,283 (2023 - \$14,738) and is not reflected in these consolidated financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

1. Significant accounting policies (continued):

(j) Tangible capital assets held for sale:

Tangible capital assets which meet the criteria for financial assets are included in "Other assets" 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.

(k) Employee future benefits and post-employment liabilities:

(i) The Region provides certain employee benefits which will require funding in future periods. These benefits are actuarially determined using management's best estimate of salary escalation, earned days accumulated for certain employees payable at retirement, health care cost trends, long term inflation rates and discount rates. For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, 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.

(ii) For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(iii) The costs of multi-employer defined benefit pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period. OMERS has been accounted for as a defined contribution plan since it is a multi-employer plan.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

1. Significant accounting policies (continued):

(l) Asset retirement obligations:

Asset Retirement Obligations (“ARO”) represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible capital assets (TCA) include but are not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the Region to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized for underlying assets that have been recorded and reported within the TCA values presented in the consolidated financial statements. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to ensure that the time value of money is considered when recognizing outstanding liabilities at each reporting date. This is referred to as accretion. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates. In circumstances when the underlying asset is fully depreciated, the ARO will be amortized over the estimated future life until the cash disbursement is made in the future to settle the obligation.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

1. Significant accounting policies (continued):

(l) Asset retirement obligations (continued):

At remediation, the Region derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the ARO and corresponding estimates that were made and are recognized in the consolidated statement of operations.

(m) Financial Instruments

The Region's financial instruments include cash, accounts receivable, investments, other assets, accounts payable and accrued liabilities, and long-term liabilities. All financial asset instruments are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement remeasurement gains and losses. The measurement basis for cash, accounts receivable, accounts payable and accrued liabilities is cost. The measurement basis for investments and long-term liabilities is amortized cost.

(n) 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, asset retirement obligations, 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.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

2. Adoption of New Public Sector Accounting Standards:

On January 1, 2024, The Region adopted the following accounting standards:

PS 3400 – Revenue

Revenue establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

PSG-8 – Purchased Intangibles

Purchased Intangibles provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 – Public Private Partnerships

Public Private Partnerships provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

There was no significant impact on the consolidated financial statements of the Region as a result of the adoption of these standards.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

3. Investments:

Investments consist of bonds and money market notes and are reported on the consolidated statement of financial position at the lower of cost or at market value in the case of a permanent decline in value, as follows:

	2024		2023	
	Cost	Market Value	Cost	Market Value
Schedule I Canadian Banks	\$ 461,148	\$ 462,145	\$ 401,780	\$ 377,075
Canadian Municipalities	97,093	95,450	96,949	93,196
Provincial Governments	347,744	334,963	346,713	326,384
Federal Governments	4,937	4,971	-	-
Investments	\$ 910,922	\$ 897,529	\$ 845,442	\$ 796,655

The Region has purchased \$3,378 (2023 - \$3,378) 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 \$19,492 (2023 - \$22,404). Coupon rates for these debentures ranged from 3.30% to 3.40%. Since the Region holds its investments to maturity, they have not been written down to market value which have declined due to increases in market interest rates.

4. Accounts receivable:

Accounts receivable are reported net of a valuation allowance of \$1,061 (2023 - \$1,033).

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

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.

	2024	2023
Workplace Safety & Insurance Board	\$ 78,353	\$ 69,759
Accumulated Sick Leave	6,434	7,464
Retiree benefits	48,006	45,640
Vacation pay	12,683	12,413
Other post-employment liabilities	5,879	5,719
Total employee future benefits and post-employment liabilities	\$ 151,355	\$ 140,995

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

	2024	2023
Niagara Regional Police Services	\$ 77,319	\$ 74,240
Niagara Transit Commission	2,372	1,015
Niagara Region	71,664	65,740
Total	\$ 151,355	\$ 140,995

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

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

The Region has established reserves 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 consolidated financial statements, the plans are considered unfunded. These reserves are presented in the consolidated statement of financial position within accumulated surplus. Reserves relating to these liabilities are summarized by entity below:

	2024	2023
Niagara Regional Police Services	\$ 8,652	\$ 8,652
Niagara Transit Commission	489	1,595
Niagara Region	24,454	24,704
Total (note 12)	\$ 33,595	\$ 34,951

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

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

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

2024				
	Niagara Regional Police	Niagara Transit Commission	Niagara Region	Total
Accrued benefit obligation:				
Balance, beginning of year	\$ 85,046	\$ 1,015	\$80,541	\$ 166,602
Current benefit cost	6,505	1,495	9,675	17,675
Interest	2,494	70	2,089	4,653
Benefits paid	(7,161)	(208)	(7,428)	(15,097)
Net	86,884	2,372	84,577	173,833
Unamortized actuarial loss	(9,565)	-	(12,913)	(22,478)
Liability	\$ 77,319	\$ 2,372	\$ 71,664	\$ 151,355
2023				
	Niagara Regional Police	Niagara Transit Commission	Niagara Region	Total
Accrued benefit obligation:				
Balance, beginning of year	\$ 83,179	\$ -	\$77,485	\$ 160,664
Current benefit cost	6,504	55	8,540	15,099
Assumed from others	-	958	-	958
Interest	2,443	32	1,982	4,457
Benefits paid	(7,080)	(30)	(7,466)	(14,576)
Net	85,046	1,015	80,541	166,602
Unamortized actuarial loss	(10,806)	-	(14,801)	(25,607)
Liability	\$74,240	\$1,015	\$65,740	\$140,995

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

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

Included in expenses is \$3,145 (2023 - \$3,131) for amortization of the actuarial loss. The unamortized actuarial loss is amortized over the expected average remaining service life as listed below:

Accumulated Sick Leave Benefit Plan entitlement	1 - 10 years
Retiree benefits	10 - 14 years
WSIB	7 – 10 years

The most recent actuarial valuation was completed as at December 31, 2021 with estimates to December 31, 2024.

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 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, 2024 and the expense for the year ended December 31, 2024, were determined using a discount rate of 3.00% (2023 – 3.00%).

Administration costs

Administration costs were assumed to be 27% (2023 – 27%) 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 1.25% per annum (2023 – 1.25%).

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

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

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, 2024, of the present value of future liabilities and the expense for the year ended December 31, 2024, were determined using a discount rate of 3.25% (2023 – 3.25%).

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 main actuarial assumptions employed for the valuations are as follows:

Discount rate

The obligation as at December 31, 2024, of the present value of future liabilities and the expense for the year ended December 31, 2024, were determined using a discount rate of 3.25% (2023 - 3.25%).

Medical costs

Medical costs were assumed to increase at the rate of 3.42% (2023 – 3.42%) per year, reducing to 2.75% in 2025 and thereafter.

Dental costs

Dental costs were assumed to increase at the rate of 2.75% (2023 – 2.75%) per year.

Inflation

Inflation was assumed to be 1.75% (2023 – 1.75%) per year.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

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

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 2024 with a funding deficit of \$2.9 billion (2023 - \$4.2 billion). The funded ratio increased to 98% in 2024 (2023 – 97%). Unfunded liabilities may require additional increases in future contributions if actuarial surpluses are not available to offset the existing deficit.

The amount contributed to OMERS for 2024 was \$39,767 (2023 - \$37,350) for current service and is included as an expense on the consolidated statement of operations. Employees' contribution to OMERS in 2024 were \$39,735 (2023 - \$37,315).

Contributions for employees with a normal retirement age of 65 were being made at rate of 9.0% (2023 – 9.0%) for earnings up to the yearly maximum pensionable earnings of \$68.5 (2023 - \$66.6) and at a rate of 14.6% (2023 – 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% (2023 - 9.2%) and 15.8% (2023 - 15.8%) respectively.

6. Deferred revenue:

The Region records as deferred revenues funds received where 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 East Side Employment Lands Water and Wastewater servicing projects.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

6. Deferred revenue (continued):

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

	2024	2023
Development charges	\$ 344,665	\$ 272,981
Gas tax	67,889	62,991
	412,554	335,972
Investing in Ontario Grant	10,617	10,617
Other deferred revenue	33,135	39,737
Balance, end of year	\$ 456,306	\$ 386,326

The continuity of Development charges and Gas tax Deferred Revenue are summarized below:

Development charges:

	2024	2023
Balance, beginning of year	\$ 272,981	\$ 254,137
Assumed from others	-	2,994
Externally restricted inflows	96,479	62,155
Revenue earned	(37,357)	(51,512)
Investment income	12,562	5,207
Balance, end of year	\$ 344,665	\$ 272,981

Gas tax:

	2024	2023
Balance, beginning of year	\$ 62,991	\$ 50,554
Assumed from others	-	9,380
Externally restricted inflows	20,382	17,278
Revenue earned	(18,488)	(16,581)
Investment income	3,004	2,360
Balance, end of year	\$ 67,889	\$ 62,991

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

7. Asset Retirement Obligations:

The Asset Retirement obligations reported on the consolidated statement of financial position, are comprised of the following:

	2024	2023
Asbestos	\$ 5,955	\$ 7,480
Landfills	131,142	140,432
Leases	3,178	3,198
Balance, end of year	\$ 140,275	\$ 151,110

Asbestos:

The Region owns buildings which contain asbestos, and therefore, the Region is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost between 2025 and 2068 of \$8,160. The estimated total liability of \$5,955 (2023 - \$7,480) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.25 (2023 - 3.25%) and assuming annual inflation of 2.00% (2023 - 1.75%). The Region has not designated funds for settling the abatement activities.

Asbestos	2024	2023
Balance, beginning of year	\$ 7,480	\$ 7,245
Adjustment for updated assumptions	(1,691)	-
Accretion expense	166	235
Balance, end of year	\$ 5,955	\$ 7,480

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

7. Asset Retirement Obligations (Continued):

Landfills:

The Region owns and monitors 14 landfill sites, two of which are open and operating. The liability for 2024 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.

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The 2024 reported liability is based on estimates and assumptions with respect to events extending over a 212-year period using the best information available to management. Undiscounted future cash flows expected are an abatement cost between 2025 and 2236 of \$2,318,156. The estimated total liability of \$131,143 is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.25% (2023 - 3.25%) and assuming annual inflation of 2.00% (2023 - 1.75%). Future events may result in significant changes to the estimated total expense, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The Region has a landfill reserve which is dedicated for costs relating to settling closure and post-closure care liabilities. As of December 31, 2024 the reserve balance is \$4,116 (2023 - \$5,398).

Landfill Obligation	2024	2023
Balance, beginning of year	\$ 140,432	\$ 137,079
Adjustment for updated assumptions	(6,444)	-
(Abatement)/Accretion expense	(2,846)	3,353
Balance, end of year	\$ 131,142	\$ 140,432

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

7. Asset Retirement Obligations (Continued):

Leases:

The Region has entered into lease agreements for land and facilities. Upon termination of the lease agreements, the Region must sever and remove all structures from the land or return the space to its original state. Undiscounted future cash flows expected are a demolition cost between 2031 and 2054 of \$3,500. The estimated total liability of \$3,178 (2023 - \$3,198) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.25% (2023 - 3.25%) and assuming annual inflation of 2.00% (2023 - 1.75%). The Region has not designated funds for settling the abatement activities.

Lease	2024	2023
Balance, beginning of year	\$ 3,198	\$ 3,096
Adjustment for updated assumptions	(30)	-
Accretion expense	10	102
Balance, end of year	\$ 3,178	\$ 3,198

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

8. Contaminated site liability:

A liability for the remediation of a contaminated site is recognized as the best estimate of the amount required to remediate the contaminated site 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. As there is no current legal obligation to remediate the site it is not considered an asset retirement obligation. 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, 2024, the Region has recognized a liability for a contaminated site of \$3,563 (2023 - \$576) 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, backfilling, and disposal costs. Design for the decommissioning of the site will be completed in 2025 and the remediation is planned to occur in 2028 or later and is subject to Council approval.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

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 comprised of the following:

	2024	2023
Long-term liabilities incurred by the Region	\$ 786,191	\$ 735,328
Less: Sinking fund assets	(28,257)	(25,586)
Long-term debt	\$ 757,934	\$ 709,742
Debt recoverable from others net of sinking fund assets (long-term liabilities incurred by the Region for which other entities have assumed responsibility)	(365,485)	(343,472)
Net long-term debt, end of year	\$ 392,449	\$ 366,270

- (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.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

9. Net long-term liabilities (continued):

- (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).
- (e) The Region is contingently liable for long-term liabilities with respect to debt issued for area municipalities, tile drainage and shoreline property assistance. The total amount outstanding as at December 31, 2024 is \$365,485 (2023 - \$343,472) and is reported on the consolidated statement of financial position as debt recoverable from others.
- (f) Principal payments to be funded by the Region, including sinking fund payments, due in each of the next five years are as follows:

	2024
2025	\$ 32,240
2026	28,152
2027	25,190
2028	23,863
2029	22,306
Thereafter	260,698
	\$ 392,449

Total interest on net long-term liabilities which are reported on the consolidated statement of operations amounted to \$13,516 in 2024 (2023 - \$13,804). The long-term liabilities bear interest at rates ranging from 0.95% to 4.20%. 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, 2024 (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% which was the discount rate at the initial recognition of the capital lease.

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:

	2024
2025	\$ 216
2026	216
2027	216
2028	216
2029	382
Thereafter	4,979
Total minimum lease payments	\$ 6,225
Less: amount representing implicit interest at 3.75%	(2,207)
Capital lease obligation	\$ 4,018

In 2024, interest of \$152 (2023 - \$154) 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, 2024 is \$6,379 (Land - \$800, Building - \$5,579) and accumulated amortization of leased tangible capital assets at December 31, 2024 is \$767 (2023 - \$628). 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, 2024 (In thousands of dollars)

11. Tangible capital assets:

2024								
	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Work in progress	Total
Cost								
Balance, beginning of year	\$ 244,828	\$ 197,884	\$ 989,810	\$ 818,484	\$ 429,888	\$ 936,445	\$ 395,228	\$ 4,012,567
Additions/transfers	1,139	29,507	114,694	71,498	31,602	50,562	(86,382)	212,620
Asset retirement obligations	-	(6,454)	(1,708)	(3)	-	-	-	(8,165)
Disposals	-	-	(50)	(4,465)	-	-	-	(4,515)
Balance, end of year	245,967	220,937	1,102,746	885,514	461,490	987,007	308,846	4,212,508
Accumulated Amortization								
Balance, beginning of year	-	70,767	480,728	496,800	111,147	456,784	-	1,616,226
Disposals	-	-	(17)	(4,346)	-	-	-	(4,363)
Amortization expense	-	6,627	34,017	43,876	6,489	29,378	-	120,387
Balance, end of year	-	77,394	514,728	536,330	117,636	486,162	-	1,732,250
Net Book Value, end of year	\$ 245,967	\$ 143,543	\$ 588,018	\$ 349,184	\$ 343,854	\$ 500,845	\$ 308,846	\$ 2,480,258

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

11. Tangible capital assets (continued):

2023								
	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Work in progress	Total
Cost								
Balance, beginning of year	\$ 237,154	\$ 128,391	\$ 933,461	\$ 728,754	\$ 424,419	\$ 913,262	\$ 280,584	\$ 3,646,455
Additions/transfers	11,401	9,708	55,295	119,414	5,469	33,915	114,644	349,846
Asset retirement obligations	-	61,346	8,021	351	-	-	-	69,718
Disposals	(4,157)	(1,561)	(6,967)	(30,035)	-	(10,732)	-	(53,452)
Balance, end of year	244,828	197,884	989,810	818,484	429,888	936,445	395,228	4,012,567
Accumulated Amortization								
Balance, beginning of year	-	65,456	453,227	486,030	104,962	439,626	-	1,549,301
Disposals	-	(1,216)	(4,003)	(24,802)	-	(10,732)	-	(40,753)
Amortization expense	-	6,527	31,504	35,572	6,185	27,890	-	107,678
Balance, end of year	-	70,767	480,728	496,800	111,147	456,784	-	1,616,226
Net Book Value, end of year	\$ 244,828	\$ 127,117	\$ 509,082	\$ 321,684	\$ 318,741	\$ 479,661	\$ 395,228	\$ 2,396,341

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

11. Tangible capital assets (continued):

(a) Work in progress

Work in progress of \$308,846 (2023 - \$395,227) has 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. The value of contributed assets transferred to the Region during the year is \$6,633 (2023 - \$84,364).

(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 (2023 – \$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.

(e) Assets held for sale

Included in other assets are tangible capital assets held for sale in the amount of \$400 (2023 - \$400).

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

12. Accumulated Surplus:

Accumulated surplus consists of balances as follows:

	2024	2023
Surplus:		
Invested in tangible capital assets	\$ 2,083,791	\$ 2,025,989
Capital fund – unexpended capital financing	308,908	255,276
Operating fund	(9,657)	(10,524)
Canada summer games park	24,281	24,416
Unfunded		
Asset retirement obligations	(140,275)	(151,110)
Contaminated sites	(3,563)	(576)
Employee future benefits and post-employment liabilities	(149,843)	(139,546)
Total surplus	2,113,642	2,003,925
Reserves set aside by Council:		
Circle route initiatives	1,133	1,133
Hospital contribution	14,965	12,750
Employee benefits	33,595	34,951
Encumbrances	11,851	14,358
General capital levy	17,405	27,292
Niagara Regional Housing	11,706	16,837
Court Services facilities renewal	4,301	4,101
Public liability self-insurance	2,270	2,270
Taxpayer relief reserve	38,537	36,602
Waste management	38,269	32,139
Wastewater	27,659	14,221
Water	48,447	34,466
Landfill liability	4,116	5,398
Niagara Transit Commission	5,258	3,547
Other reserves	5,029	5,715
Total reserves	264,541	245,780
Total accumulated surplus	\$ 2,378,183	\$ 2,249,705

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

13. Trust funds:

Trust funds administered by the Region amounting to \$1,212 (2023 - \$1,021) 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 \$418,755 (2023 - \$352,587) for capital projects. These costs include holdbacks. The holdbacks related to work completed as of December 31, 2024 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 \$702 (2023 - \$1,806). Annual payments of \$397 (2023 - \$1,216) 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:

	2024
2025	\$ 1,827
2026	1,176
2027	721
2028	405
2029	427
Thereafter	471
	\$ 5,027

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

14. Commitments (continued):

(e) The Region has agreed to administer a capital fund on behalf of the Canada Games Park Consortium agreement. At December 31, 2024 funds of \$3,644 are being held by the Region on behalf of the 3 other partners and invested through the Region's investment portfolio. At the request of the partners and in alignment with the agreement, these funds could be returned on demand.

15. Contingent liabilities:

At December 31, 2024, 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. A provision of \$2,654 (2023 - \$8,720) has been made for those claims not expected to be covered by insurance.

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 for allocated self-insurance claims which as at December 31, 2024 amount to \$2,270 (2023 - \$2,270) (note 12) and is reported on the consolidated statement of financial position under accumulated surplus. An amount of \$nil (2023- \$nil) has been transferred from this reserve fund in the current year.

Recoveries applied against operations in the current year amounted to \$4,698 (Payments charged 2023 - \$1,455).

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 \$29,644 (2025 - \$25,247).

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

18. Government transfers:

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

	Budget	2024	2023
Revenue:			
Government of Canada:			
General government	\$ 140	\$ 140	\$ -
Transportation services	16,914	16,647	16,919
Environmental services	786	786	280
Social and family services	6,739	9,379	4,257
Social housing	15,905	14,991	21,411
Planning and development	201	178	(12)
	40,685	42,121	42,855
Province of Ontario:			
General government	789	790	1,515
Protection to persons and property	13,919	14,328	11,051
Transportation services	4,852	3,237	7,356
Environmental services	982	982	123
Health services	80,894	84,112	88,582
Social and family services	353,683	361,346	322,933
Social housing	8,913	8,353	8,078
Planning and development	-	-	(25)
	464,032	473,148	439,613
Other municipalities:			
General government	206	392	119
Protection to persons and property	354	322	350
Environmental services	-	28	-
Social housing	-	-	380
Recreation services	246	246	227
Planning and development	50	50	47
	856	1,038	1,123
Total revenues	\$ 505,573	\$ 516,307	\$ 483,591

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

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. Transportation also includes public transportation services provided within the Region by the Niagara Region Transit.

(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.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

19. Segmented information (continued):

(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.

(vii) Social housing:

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

(viii) Recreation Services:

The amounts reported reflect the Region’s participation in the consortium for the operations of Canada Summer Games Park

(ix) 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 REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

19. Segmented information (continued):

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, 2024 (In thousands of dollars)

2024										
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Social housing	Recreation services	Planning and development	Total
Revenues:										
Levies on area municipalities	\$ 504,146	-	\$ 59,015	\$ 45,903	-	-	-	-	-	\$ 609,064
User charges	1,202	8,125	24,734	162,515	652	26,726	19,412	509	1,918	245,793
Government transfers	1,323	14,649	19,883	1,796	84,112	370,725	23,345	246	228	516,307
Development charges earned	4,981	632	12,732	15,801	416	-	666	-	374	35,602
Investment income	14,168	-	-	-	-	-	313	-	-	14,481
Provincial offenses	-	11,791	-	-	-	-	-	-	-	11,791
Miscellaneous	12,934	1,439	5,846	5,756	389	1,805	799	68	87	29,123
Total revenues	538,754	36,636	122,210	231,771	85,569	399,256	45,535	823	2,607	1,462,161
Expenses:										
Salaries, wages and employee benefits	6,669	204,837	67,724	37,911	114,171	162,162	7,715	352	7,904	609,445
Operating expenses	629	24,286	49,037	94,662	19,486	142,631	24,236	465	2,175	357,607

2024										
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Social housing	Recreation services	Planning and development	Total
External transfers	3,912	11,079	62	2,170	-	140,435	36,735	-	37,904	232,297
Debt services	13,364	-	-	-	153	-	-	-	-	13,517
Amortization	6,584	11,138	42,936	35,233	4,246	6,780	12,419	1,051	-	120,387
Miscellaneous	-	38	25	3	38	-	-	326	-	430
Total expenses:	31,158	251,378	159,784	169,979	138,094	452,008	81,105	2,194	47,983	1,333,683
Annual surplus (deficit)	\$ 510,006	\$ (214,742)	\$ (39,248)	61,056	\$ (52,525)	\$ (52,752)	\$ (36,570)	\$ (1,371)	\$ (45,376)	\$ 128,478

THE REGIONAL MUNICIPALITY OF NIAGARA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023 (In thousands of dollars)

2023										
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Social housing	Recreation services	Planning and development	Total
Revenues:										
Levies on area municipalities	\$ 464,341	-	\$58,603	\$45,999	-	-	-	-	-	\$ 568,943
User charges	883	7,433	22,635	151,775	737	28,191	18,750	448	1,847	232,699
Government transfers	1,632	11,401	24,275	403	88,582	327,191	29,870	227	10	483,591
Development charges earned	9,795	-	28,255	11,923	694	-	582	-	263	51,512
Investment income	16,302	-	-	-	-	-	426	-	-	16,728
Provincial offenses	-	8,102	4	-	5	-	-	-	-	8,111
Miscellaneous	3,955	1,217	79,447	10,626	550	1,501	5,793	49	213	103,351
Total revenues	496,908	28,153	213,219	220,726	90,568	356,883	55,421	724	2,333	1,464,935
Expenses:										
Salaries, wages and employee benefits	5,341	186,569	61,028	36,330	116,539	146,841	7,400	300	7,040	567,388
Operating expenses	15,140	22,169	51,689	108,491	21,060	125,389	24,698	452	2,511	371,599

2023										
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Social housing	Recreation services	Planning and development	Total
External transfers	10,545	9,365	1,524	3,858	18	125,100	36,513	-	33,206	220,129
Debt services	13,649	-	-	-	154	-	-	-	-	13,803
Amortization	5,596	10,836	36,132	33,731	4,050	4,316	11,968	1,049	-	107,678
Miscellaneous	1	-	539	24	-	-	-	-	-	564
Total expenses:	50,272	228,939	150,912	182,434	141,821	401,646	80,579	1,801	42,757	1,281,161
Annual surplus (deficit)	\$ 448,337	\$ (200,786)	\$ 61,437	\$ 37,461	\$ (51,253)	\$ (44,763)	\$ (25,158)	\$ (1,077)	\$ (40,424)	\$ 183,774

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

20. Budget data:

The budget amounts presented in these consolidated financial statements are based upon the 2024 operating and capital budgets approved by Council on December 14, 2023. 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.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

20. Budget data (continued):

	Budget Amount
REVENUES	
Operating	
Approved budget	\$ 1,345,007
Budget adjustments and amendments	55,822
Revenues classified as expenses	(231)
Share of Canada Games Park Consortium revenue	823
Capital:	
Development charges	33,147
Grants and subsidies	31,911
Other contributions	7,813
Less:	
Loss on disposal of tangible capital assets	(410)
Transfers from reserves	(24,898)
Proceeds on sale of tangible capital assets	(73)
Total revenue	1,448,911
EXPENSES	
Operating	
Approved budget	\$ 1,345,007
Budget adjustments and amendments	55,822
Revenues classified as expenses	(231)
Share of Canada Games Park Consortium expense	1,121
Add:	
Capital project cost resulting in operating expenses	6,097
Amortization	120,387
Employee future benefits	10,330
Less:	
Abatement expense	(2,670)
Operating expenses resulting in tangible capital assets	(2,902)
Transfers to reserves, including capital	(136,515)
Debt principal payments	(52,396)
Total expenses	1,344,050
Annual surplus	\$ 104,861

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

21. Change in Non-Cash Assets and Liabilities:

The following is a breakdown of the change in the non-cash assets and liabilities showing on the consolidated statement of cash flows:

	2024	2023
Accounts receivable	(\$ 13,383)	(\$ 20,363)
Other current assets	303	375
Accounts payable and accrued liabilities	(10,498)	36,871
Deferred revenue	69,979	47,177
Inventory	774	(3,135)
Prepaid expenses	(3,636)	(5,064)
Net Change in Non-Cash Assets and Liabilities	\$ 43,529	\$ 55,861

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

22. Financial Instrument Risks

The fair value of the Region's financial instruments that are comprised of cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature and are measured at cost or amortized cost in the statement of financial position. The fair value of investments is disclosed in note 3. It is management's opinion that the Region is not exposed to significant risk arising from these financial instruments and there have been no significant changes to these risk exposures from 2023.

Credit Risk

The Region is exposed to credit related losses through cash, accounts receivable, development charges receivable and investments in the event of non-performance by counterparties to the financial instruments. Credit risk is minimized by dealing with reputable financial institutions including many government organizations.

Liquidity risk

Liquidity risk is the risk that the Region will be unable to meet all cash outflow obligations as they come due. Liquidity risk is minimized by monitoring cash activities and through cash flow forecasting including a ladder investment maturity approach to match large cash outflows.

Market risk

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and other price risks will affect the annual surplus or the fair value of financial instruments. Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing rates of exchange at year end. Revenue and expenses are translated at the exchange rate prevailing on the transaction date. Exchange gains and losses are included in the statement of operations. Interest rate risk is minimized through a diversified investment portfolio held in accordance with the Region's investment policy. Long-term debt has interest rates fixed at the time of issuance. The Region manages its exposure on new debt by issuing in the capital markets to get the best possible rate and issuing semi-annually.

23. Comparative figures:

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



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INDEPENDENT AUDITOR'S REPORT

To the Members of Council of the Regional Municipality of Niagara

Opinion

We have audited the financial statements of the Sinking Funds of the Regional Municipality of Niagara (the "Entity") which comprise:

- the statement of financial position as at December 31, 2024
- the statements of operations and change in net financial assets for the period ended December 31, 2024
- the statement of cash flows for the period ended December 31, 2024
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements for the year-ended December 31, 2024 is prepared, in all material respects, in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Other Matter

The financial statements of the Sinking Funds of the Regional Municipality of Niagara as at and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 23, 2024.



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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

St. Catharines, Canada

May 22, 2025

THE REGIONAL MUNICIPALITY OF NIAGARA

SINKING FUND STATEMENT OF FINANCIAL POSITION

As at December 31, 2024 (In thousands of dollars)

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 1,279	\$ 817
Interest receivable	937	605
Investments (note 3)	24,040	22,164
	28,256	25,586
LIABILITIES		
Accounts payable and accrued liabilities	5	4
Due to operating fund	182	74
Sinking fund requirements		
City of St. Catharines	3,252	2,964
The Regional Municipality of Niagara	23,952	19,833
	27,391	24,875
Accumulated surplus and net financial assets	\$ 865	\$ 711

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 AND ACCUMULATED SURPLUS

For the year ended December 31, 2024 (In thousands of dollars)

	2024	2023
REVENUES		
Contributions	\$ 1,512	\$ 1,512
Investment Income	1,053	953
Total revenues	2,565	2,465
EXPENSES		
Professional fees	5	4
Provision for sinking fund requirements	2,406	2,325
Total expenses	2,411	2,329
Annual surplus and net change in financial assets for the year	154	136
Accumulated surplus, beginning of year	711	575
Accumulated surplus, end of year	\$ 865	\$ 711

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, 2024 (In thousands of dollars)

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 154	\$ 136
Change in non-cash working capital balances		
Interest receivable	(332)	(284)
Due to operating fund	108	37
Accounts payable	1	-
Net change in cash used in operating activities	(69)	(111)
INVESTING ACTIVITY		
Purchase of investments	(1,876)	(1,822)
Net change in cash used in investing activity	(1,876)	(1,822)
FINANCING ACTIVITY		
Increase in sinking fund requirements	2,406	2,325
Net change in cash from financing activity	2,406	2,325
Net change in cash	461	393
Cash, beginning of year	817	424
Cash, end of year	\$ 1,279	\$ 817

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, 2024 (In thousands of dollars)

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.

A statement of remeasurement gains and losses has not been presented as there are no items to report.

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.

(c) Revenue recognition:

Contributions are recognized as revenue in the year receivable.

Interest income is recognized as revenue in the period earned. Investment income includes interest income and realized gains and losses, net of bank service charges.

(d) Investments

Investments are measured at cost and consist mainly of government and corporate bonds and guaranteed investment certificates. Where there is a permanent loss in value, the investment value is written down to recognize the loss.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO SINKING FUND FINANCIAL STATEMENTS

For the year ended December 31, 2024 (In thousands of dollars)

1. Significant accounting policies (continued):

(e) Financial instruments and fair value hierarchy

The Sinking Fund's financial assets and liabilities are all measured at cost or amortized cost.

All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

(i) Level 1 – Derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 – Derived from quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or models using inputs that are observable.

(iii) Level 3 – Derived using discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value of the Sinking Funds' investments as at December 31, 2024 and 2023, are Level 1.

2. Adoption of new accounting standards:

On January 1, 2024, the Sinking Fund adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance consistency of revenue recognition and its measurement. The Sinking Fund also adopted PSG – 8 Purchased Intangibles and PS 3160 – Public Private Partnerships. The adoption of these new standards did not have a material impact on the amounts presented in the financial statements.

3. Investments:

At December 31, 2024 the investments have a market value of \$23,628 (2023 - \$21,289)



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INDEPENDENT AUDITOR'S REPORT

To the Members of Council of the Regional Municipality of Niagara

Opinion

We have audited the financial statements of the Trust Funds of the Regional Municipality of Niagara (the "Entity") which comprise:

- the statement of financial position as at December 31, 2024
- the statements of financial activities and change in fund balance for the period ended December 31, 2024
- the statement of cash flows for the period ended December 31, 2024
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements for the year-ended December 31, 2024 is prepared, in all material respects, 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. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

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

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

Other Matter

The financial statements of the Trust Funds of the Regional Municipality of Niagara as at and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 23, 2024.



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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Chartered Professional Accountants, Licensed Public Accountants

St. Catharines, Canada

May 22, 2025

THE REGIONAL MUNICIPALITY OF NIAGARA

TRUST FUNDS STATEMENT OF FINANCIAL POSITION

As at December 31, 2024 (In thousands of dollars)

	2024	2023
ASSETS		
Cash	\$ 306	\$ 317
Due from Regional Municipality of Niagara	906	704
Fund balance	\$ 1,212	\$ 1,021

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

THE REGIONAL MUNICIPALITY OF NIAGARA

TRUST FUNDS STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

For the year ended December 31, 2024 (In thousands of dollars)

	2024	2023
REVENUE		
Deposits from residents	\$ 538	\$ 524
Donations	296	183
	834	707
EXPENSES		
Expenditures for the benefit of residents	643	715
	643	715
Excess (deficiency) of revenues over expenses	191	(8)
Fund balance, beginning of year	1,021	1,029
Fund balance, end of year	\$ 1,212	\$ 1,021

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, 2024 (In thousands of dollars)

	2024	2023
OPERATING ACTIVITIES:		
Excess (deficiency) of revenues over expenses	\$ 191	\$ (8)
Change in non-cash assets and liabilities		
Due from Regional Municipality of Niagara	(202)	45
Net change in cash (used in) operating activities	(11)	37
Cash, beginning of year	317	280
Cash, end of year	\$ 306	\$ 317

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, 2024 (In thousands of dollars)

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.

**KPMG LLP**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Niagara Region Housing

Opinion

We have audited the financial statements of Niagara Regional Housing (the "Entity") which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the period ended December 31, 2024
- the statement of changes in net assets for the period ended December 31, 2024
- the statement of cash flows for the period ended December 31, 2024
- and notes and schedules to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements for the year-ended December 31, 2024 is prepared, in all material respects, in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Schedule**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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.

Other Matter

The financial statements of Niagara Regional Housing as at and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on April 19, 2024.

Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with Canadian public sector reporting standards, 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. Those charged with governance are responsible for overseeing the Entity's 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 generally accepted auditing standards will always detect a material misstatement when it exists.

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

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

We also:

- Identify and assess the risks of material misstatement of the 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 Region Housing' internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

St. Catharines, Canada

April 25, 2025

Niagara Regional Housing

Statement of Financial Position

As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 3,708,389	\$ 2,639,791
Accounts receivable	6,037,241	4,762,521
Due from Niagara Region	11,480,006	18,167,232
Total financial assets	21,225,636	25,569,544
FINANCIAL LIABILITIES		
Deferred revenue (note 4)	8,464,688	12,490,077
Mortgages and debentures (note 5)	27,890,927	33,252,693
Asset retirement obligations (note 6)	3,589,413	5,047,147
	39,945,028	50,789,917
Net debt	(18,719,392)	(25,220,373)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	201,365,910	191,299,899
Prepaid expenses and deposits	-	58,878
	201,365,910	191,358,777
Commitments (note 9)		
Accumulated surplus (note 8)	\$ 182,646,518	\$ 166,138,404

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

Niagara Regional Housing

Statement of Operations

For the year ended December 31, 2024

	2024 Budget (note 10)	2024 Actual	2023 Actual
REVENUES			
Rental revenue	\$ 18,890,956	\$ 19,318,494	\$ 18,615,058
Subsidies			
Niagara Region	35,826,818	36,443,842	34,405,578
Federal and Provincial Government	7,287,445	7,287,445	11,575,505
Investment income	54,000	251,996	368,792
Contributed tangible capital assets	-	-	5,308,950
Development charge revenue	666,855	666,855	582,465
Sundry revenue	227,843	264,338	287,926
	62,953,917	64,232,970	71,144,274
Transferred to Niagara Region and reserves	(3,917,286)	(3,917,286)	(6,738,117)
	59,036,631	60,315,684	64,406,157
EXPENSES			
Property taxes	6,532,822	6,587,587	6,342,161
Support services – Niagara Region	7,055,113	7,144,340	7,998,145
Amortization	12,415,162	12,415,162	11,965,464
Accretion (Note 6)	144,419	144,419	158,869
Bad debts	157,500	233,845	270,558
Wages, salaries and benefits	367,480	382,106	373,602
Utilities	5,869,191	5,753,899	5,448,356
Materials and services	7,638,540	8,753,059	7,868,620
Interest on debenture and mortgage payments	780,077	772,237	877,528
Debenture payments (note 9)	396,959	396,959	1,215,971
Administration	923,911	908,221	1,461,389
Supplies and equipment	183,843	242,793	195,684
Government land lease	63,500	72,943	62,530
	42,528,517	43,807,570	44,238,877
Annual surplus	16,508,114	16,508,114	20,167,280
Accumulated surplus, beginning of year	166,138,404	166,138,404	145,971,124
Accumulated surplus, end of year	\$182,646,518	\$182,646,518	\$166,138,404

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

Niagara Regional Housing

Statement of Change in Net Debt

For the year ended December 31, 2024

	2024 Budget (note 10)	2024 Actual	2023 Actual
Annual surplus	\$ 16,508,114	\$ 16,508,114	\$ 20,167,280
Acquisition of tangible capital assets, net of disposals	(22,481,173)	(22,481,173)	(30,235,657)
Amortization of tangible capital assets	12,415,162	12,415,162	11,965,464
Change in prepaid expenses	-	58,878	(58,878)
Change in net debt	6,442,103	6,500,981	1,838,209
Net debt, beginning of year	(25,220,373)	(25,220,373)	(27,058,582)
Net debt, end of year	\$ (18,778,270)	\$ (18,719,392)	\$ (25,220,373)

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

Niagara Regional Housing

Statement of Changes in Cash Flows

For the year ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 16,508,114	\$ 20,167,280
Items not involving cash:		
Amortization of tangible capital assets	12,415,162	11,965,464
Contributed tangible capital assets	-	(5,308,950)
Accretion expense	144,419	158,869
Change in non-cash assets and liabilities:		
Accounts receivable	(1,274,720)	1,591,076
Deferred revenue	(4,025,389)	9,298,542
Prepaid expenses	58,878	(58,878)
Net change in cash from operating activities	23,826,464	37,813,403
CAPITAL ACTIVITY		
Cash used to acquire tangible capital assets	(24,083,326)	(20,038,429)
FINANCING ACTIVITIES		
Mortgage and debenture repayments	(5,361,766)	(5,508,872)
Change in due from Niagara Region	6,687,226	(14,389,227)
Net change in cash from financing activities	1,325,460	(19,898,099)
Net change in cash	1,068,598	(2,123,125)
Cash, beginning of year	2,639,791	4,762,916
Cash, end of year	\$ 3,708,389	\$ 2,639,791
Cash paid for interest	\$ 772,237	\$ 877,528

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

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

1. Description of operations

Niagara Regional Housing (the “Corporation” or “NRH”) 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.

On May 30, 2021, the Corporation transferred Program Manager responsibilities back to the Regional Municipality of Niagara (“Niagara Region”). NRH continues to be responsible for duties including, but not limited to, ownership and management of a real estate portfolio consisting of 3,051 apartments and houses and the power to purchase, construct or make alterations to a housing project.

2. Significant accounting policies

The financial statements of 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”). A statement of remeasurement gains and losses has not been prepared as there are no items to report. Significant accounting policies adopted by the Corporation are as follows:

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 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.

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.

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

2. Significant accounting policies (continued)

Tangible capital assets

Tangible capital assets (“TCA”) 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:

Land Improvements	5 – 50 years
Buildings	5 – 40 years
Equipment	15 years

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.

Asset retirement obligations

Asset Retirement Obligations (“ARO”) represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible assets include but are not limited to assets in productive use, assets no longer in productive use, and leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for NRH to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized for underlying assets that have been recorded and reported within the TCA values

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

presented in the financial statements. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of

2. Significant accounting policies (continued)

Asset retirement obligations (continued)

money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates. In circumstances when the underlying asset is fully depreciated, the ARO will be amortized over the estimated future life until the cash disbursement is made in the future to settle the obligation.

At remediation, NRH derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

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.

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 to expenses as incurred.

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.

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

2. Significant accounting policies (continued)

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 accrued liabilities and useful lives of tangible capital assets. Actual results could differ from these estimates.

3. Adoption of Public Sector Accounting Standards

On January 1, 2024, the Corporation adopted Canadian public sector accounting standard PS 3400 Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance consistency of revenue recognition and its measurement. The adoption of this new standard did not have a material impact on the amounts presented in the financial statements.

4. Deferred revenue

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

	2024	2023
Canada Mortgage and Housing Corporation	7,924,602	11,950,217
Other	540,086	539,860
Balance, end of year	\$ 8,464,688	\$ 12,490,077

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

5. Mortgages and debentures

Amounts consist of mortgages secured by the income producing properties of the Corporation. As at December 31, 2024, the unpaid balances of these mortgages and debentures are as follows:

	2024	2023
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 3.30% due in 2024	\$ -	281,198
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.15% to 2.80% due in 2025	\$ 322,000	635,000
Debenture for Niagara Regional Housing capital program bearing interest at 2.25% due in 2025	\$ 120,399	238,131
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 2.40% due in 2026	\$ 1,202,486	1,784,405
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 2.45% due in 2027	\$ 546,651	721,009
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 2.05% to 3.15% due in 2028	\$ 2,930,000	3,611,000
Ontario Infrastructure and Lands Corporation amortization debenture for Niagara Regional Housing capital program bearing interest at 3.74% due in 2042	\$ 3,264,407	3,389,622
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 2.00% to 2.40% due in 2029	\$ 8,004,166	9,489,138
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 0.6% to 1.6% due in 2030	\$ 2,129,800	2,423,510

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

5. Mortgages and debentures (continued)

	2024	2023
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 0.4% to 2.1% due in 2031	\$ 5,840,000	6,630,000
Mortgage payable, secured by a rental property, a general assignment for rent and a chattel mortgage, interest at a rate of 4.31%, due in 2029	\$ 1,631,747	1,946,224
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 3.4% to 4.2% due in 2032	\$ 1,899,271	2,103,456
	\$ 27,890,927	\$ 33,252,693

The annual principal payments are as follows:

Year	Amount
2025	\$ 5,200,777
2026	4,922,687
2027	4,417,426
2028	4,334,940
2029	3,559,646
Thereafter	5,455,451
Total principal payments	\$ 27,890,927

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

6. Asset Retirement Obligations

Asbestos

NRH owns buildings which contain asbestos, and therefore, NRH is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. Undiscounted future cash flows expected are an abatement cost between 2027 and 2059 of \$4,948,450. The estimated total liability of \$3,327,469 (2023 - \$4,743,365) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.25% (2023 – 3.25%) and assuming annual inflation of 2.00% (2023 – 1.75%). The Region has not designated funds for settling the abatement activities.

	2024	2023
Balance, beginning of year	\$ 4,743,365	\$ 4,594,058
Adjustment for updated assumptions	(1,549,636)	-
Accretion expense	133,740	149,307
Balance, end of year	\$3,327,469	\$4,743,365

Lease

NRH entered into a lease agreement, expiring March 31, 2041, for land on which a 40-unit apartment building was built. Although NRH is not expecting to terminate the lease, upon termination, NRH must sever and remove all structures from the land. If NRH were to terminate the lease, undiscounted future cash flows expected are a demolition cost in 2041 of \$372,132. The estimated total liability of \$261,944 (2023 - \$303,782) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.25% (2023 – 3.25%) and assuming annual inflation of 2.00% (2023 – 1.75%). The Region has not designated funds for settling the abatement activities.

	2024	2023
Balance, beginning of year	\$ 303,782	\$ 294,220
Adjustment for Updated Assumptions	(52,517)	-
Accretion expense	10,679	9,562
Balance, end of year	\$261,944	\$303,782

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

7. Tangible capital assets

	2024					
	Land	Land Improvements	Building	Equipment	Work in progress	Total
Cost						
Balance, beginning of year	\$49,093,343	\$12,985,717	\$242,258,251	\$5,565,530	\$7,816,044	\$317,718,885
Additions	-	3,202,310	23,308,935	178,794	(2,606,713)	24,083,326
Asset retirement obligations	-	-	(1,602,153)	-	-	(1,602,153)
Disposals	-	-	-	(365,839)	-	(365,839)
Balance, end of year	\$49,093,343	\$16,188,027	\$263,965,033	\$5,378,485	\$5,209,331	\$339,834,219
Accumulated Amortization						
Balance, beginning of year	-	\$3,394,311	\$120,583,423	\$2,441,252	-	\$126,418,986
Disposals	-	-	-	(365,839)	-	(365,839)
Amortization expense	-	706,117	11,328,313	380,732	-	12,415,162
Balance, end of year	-	\$4,100,428	\$131,911,736	\$2,456,145	-	\$138,468,309
Net Book Value, end of year	\$49,093,343	\$12,087,599	\$132,053,297	\$2,922,340	\$5,209,331	\$201,365,910

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

7. Tangible capital assets (continued)

	2023					
	Land	Land Improvements	Building	Equipment	Work in progress	Total
Cost						
Balance, beginning of year	\$42,731,007	\$11,278,974	\$217,494,530	\$5,695,293	\$11,330,374	\$288,530,178
Additions	6,362,336	2,155,388	19,875,444	468,542	(3,514,330)	25,347,380
Asset retirement obligations	-	-	4,888,277	-	-	4,888,277
Disposals	-	(448,645)	-	(598,305)	-	(1,046,950)
Balance, end of year	\$49,093,343	\$12,985,717	\$242,258,251	\$5,565,530	\$7,816,044	\$317,718,885
Accumulated Amortization						
Balance, beginning of year	-	\$3,257,697	\$109,577,711	\$2,665,064	-	\$115,500,472
Disposals	-	(448,645)	-	(598,305)	-	(1,046,950)
Amortization expense	-	585,259	11,005,712	374,493	-	11,965,464
Balance, end of year	-	\$3,394,311	\$120,583,423	\$2,441,252	-	\$126,418,986
Net Book Value, end of year	\$49,093,343	\$9,591,406	\$121,674,828	\$3,124,278	\$7,816,044	\$191,299,899

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

7. Tangible capital assets (continued)

Assets under construction

Assets under construction at December 31, 2024 valued at \$5,209,331 (2023 - \$7,816,044) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution.

Tangible capital assets disclosed at nominal values

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.

Write-down of tangible capital assets

The write-down of tangible capital assets during the year was \$nil (2023 - \$nil).

8. Accumulated Surplus

Accumulated surplus consists of individual fund surplus as follows:

	2024	2023
Invested in tangible capital assets	\$ 173,474,982	\$ 158,047,206
Capital fund: Unexpended capital financing	12,608,227	12,985,623
Operating fund	152,722	152,722
Unfunded Asset Retirement Obligation	(3,589,413)	(5,047,147)
Total accumulated surplus	\$ 182,646,518	\$ 166,138,404

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

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 \$701,996 (2023 - \$1,805,838) and payments during the year of \$396,959 (2023 – \$1,215,971) have been charged to current operations.

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

10. Budget data

The budget data presented in these financial statements is based upon the 2024 operating and capital budgets approved by the NRH Board on October 20, 2023. 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
REVENUES	
Operating	
Approved Operating Revenue	\$ 37,646,253
Capital	25,307,664
Less:	
Surplus transferred to Niagara Region and transferred to reserves	(3,917,286)
Total revenue	59,036,631
EXPENSES	
Operating	
Approved Operating Expenses	37,646,253
Add:	
Amortization	12,415,162
Accretion	144,419
Expenditures included in capital fund	273,494
Less:	
Transfers to reserves	(2,589,045)
Transfers to capital	-
Debt principal payments	(5,361,766)
Total expenses	42,528,517
Annual surplus	\$ 16,508,114

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2024

11. Risks

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.

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.

Niagara Regional Housing

Schedule of Financial Activities – Operating Fund

For the year ended December 31, 2024

This schedule is an operating statement that reflects the results of operations that flow through the Operating Fund and therefore exclude capital activities.

	2024 Budget	2024 Actual	2023 Actual
REVENUES			
Rental revenue	\$18,890,956	\$19,318,494	\$18,615,058
Subsidies			
Niagara Region	18,076,495	18,498,213	18,771,060
Federal and Provincial Government	396,959	396,959	1,215,971
Investment income	54,000	251,996	368,792
Sundry revenue	227,843	264,338	287,926
	37,646,253	38,730,000	39,258,807
EXPENSES			
Property taxes	6,532,822	6,587,586	6,315,568
Support services – Niagara Region	7,055,113	7,144,340	7,998,145
Bad debts	157,500	233,845	270,558
Wages, salaries and benefits	367,480	382,106	373,602
Utilities	5,865,300	5,750,009	5,448,356
Materials and services	7,755,403	8,869,922	7,838,703
Interest on debenture and mortgage payments	780,077	772,237	877,528
Debenture payments (note 7)	396,959	396,959	1,215,971
Administration	545,037	529,348	471,257
Supplies and equipment	176,251	235,200	173,332
Government land lease	63,500	72,943	62,530
	29,695,442	30,974,495	31,045,550
Annual surplus	7,950,811	7,755,505	8,213,257
FINANCING AND TRANSFERS			
Transfer to reserves	(2,589,045)	(2,589,045)	(2,989,045)
Transfer from Niagara Region	-	195,306	284,660
Debt principal payments	(5,361,766)	(5,361,766)	(5,508,872)
	(7,950,811)	(7,755,505)	(8,213,257)
Operating fund balance, end of year	\$ -	\$ -	\$ -

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

Independent Auditors' Report

To those charged with governance 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, 2024 and notes to the schedule (collectively referred to as the "schedule").

In our opinion, the accompanying schedule for the year-ended December 31, 2024 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. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Schedule"** section of our auditor's 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

We draw attention to Note 1 in the schedule, which describes the applicable financial reporting framework and the purpose of the schedule.

As a result, the schedule may not be suitable for another purpose.

Our opinion is not modified as a result of this matter.

Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with the financial reporting provisions in the Niagara Region Courts Intermunicipal Agreement dated April 26, 2000, 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.

Those charged with governance 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 generally accepted auditing standards will always detect a material misstatement when it exists.

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

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

We also:

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

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

[Date]

The Regional Municipality of Niagara Court Services

Schedule of Revenue, Expenditures & Funds Available for Distribution

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

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Revenue (schedules 1 & 2):			
Offence receipts and other revenue	9,910,228	11,797,805	8,103,408
	9,910,228	11,797,805	8,103,408
Controllable Expenditures (schedules 1 & 2):			
Salaries and benefits	2,996,620	2,562,147	2,072,922
Program support costs (note 4)	1,254,298	1,273,910	1,345,204
Collection charges	180,000	146,770	177,017
Legal	50,000	38,026	32,442
Call in prosecution	160,000	-	-
Payment processing costs	140,976	196,949	103,631
Telephone	8,300	9,148	6,768
Office and administration	122,836	116,595	66,249
	4,913,030	4,343,545	3,804,233
Uncontrollable Expenditures (schedules 1 & 2):			
Revenue collected on behalf of other municipalities/provinces	80,000	194,453	129,894
Victim fine surcharge	1,530,020	1,875,581	1,299,721
Adjudication	475,930	251,361	203,916
Dedicated fines	20,000	89,925	99,363
Other provincial expenditures	430,446	311,576	203,009
	2,536,396	2,722,896	1,935,903
Total expenditures	7,449,425	7,066,441	5,740,136
Excess of revenue over expenditures	2,460,803	4,731,365	2,363,272
Change in employee benefits and other liabilities	-	20,996	(65,711)
Transfer to Niagara Region (note 2)	(2,297,212)	(1,454,103)	(971,089)
Funds available for distribution (note 3)	163,592	3,298,258	1,326,472

The Regional Municipality of Niagara Court Services

Notes to the Schedule

December 31, 2024

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:

Revenues

Revenues are recorded on a cash basis.

Expenses

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.

Uncontrollable expenses are recorded on a cash basis.

Capital assets

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

Transfers to reserves

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

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.

The Regional Municipality of Niagara Court Services

Notes to the Schedule

December 31, 2024

2 Transfer to Niagara Region

Transfers Related to Base Operations:

Court Services transferred \$200,000 (2023 - \$200,000) to the Niagara Region in 2024. In addition, \$200,000 was transferred to the Court Services Facility Renewal reserve.

The following represents the transactions through the Court Services Facility Renewal reserve:

	2024	2023
	\$	\$
Reserve held by the Niagara Region, beginning of year	4,101,104	3,901,104
Transfers during the year to reserve from operating budget	200,000	200,000
Reserve held by the Niagara Region, end of year	4,301,104	4,101,104

Transfers Related to Automated Enforcement Operations:

As permitted in the Intermunicipal Agreement, Court Services has transferred Automated Enforcement net revenues of \$1,254,103 (2023 - \$771,089) to the Niagara Region's Transportation Services division to recover its Automated Enforcement program related costs.

The Regional Municipality of Niagara Court Services

Notes to the Schedule

December 31, 2024

3 Distribution to area municipalities

Court Services net revenue distribution (net expenditure recovered) by municipality is as follows:

	Budget	2024	2023
	\$	\$	\$
Region of Niagara	81,796	1,649,129	663,236
Niagara Falls	15,753	317,586	128,385
Port Colborne	2,534	51,095	20,603
St. Catharines	19,614	395,457	160,964
Thorold	3,882	78,265	30,008
Welland	6,795	137,001	54,322
Fort Erie	5,370	108,272	42,682
Grimsby	6,423	129,496	52,146
Lincoln	5,577	112,431	45,426
Niagara-on-the-Lake	7,342	148,017	59,892
Pelham	3,893	78,478	31,158
Wainfleet	1,505	30,346	12,200
West Lincoln	3,108	62,685	25,450
	163,592	3,298,258	1,326,472

The Regional Municipality of Niagara Court Services

Notes to the Schedule

December 31, 2024

3 Distribution to area municipalities (continued)

Distribution to area municipalities for 2024 net revenues:

	Excluding Automated Enforcement	Automated Enforcement Only
	\$	\$
Region of Niagara	150,780	1,498,349
Niagara Falls	29,037	288,549
Port Colborne	4,672	46,423
St. Catharines	36,157	359,300
Thorold	7,156	71,109
Welland	12,526	124,475
Fort Erie	9,899	98,373
Grimsby	11,840	117,656
Lincoln	10,280	102,151
Niagara-on-the-Lake	13,533	134,484
Pelham	7,175	71,303
Wainfleet	2,775	27,571
West Lincoln	5,730	56,955
	301,560	2,996,698

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/services based on usage drivers.

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

The Regional Municipality of Niagara Court Services

Notes to the Schedule

December 31, 2024

4 Program support costs (continued)

Program support costs which have been allocated are:

	Budget	2024	2023
	\$	\$	\$
Finance services	158,888	175,557	133,807
Human resources services	59,081	60,790	48,981
Information technology services	144,012	153,074	218,212
Legal services	57,448	59,912	53,039
Insurance costs	2,225	1,859	2,598
Printing costs	371	777	470
Mail costs	8,474	9,445	8,187
Communications costs	1,081	949	1,919
Facilities costs	822,718	811,547	877,991
	1,254,298	1,273,910	1,345,204

Program Support Costs Excluding Automated Enforcement:

	Budget	2024	2023
	\$	\$	\$
Finance services	143,044	155,535	133,767
Human resources services	57,475	49,007	44,370
Information technology services	132,085	117,926	206,490
Legal services	57,448	59,912	53,039
Insurance costs	2,155	1,795	2,598
Printing costs	371	777	470
Mail costs	8,474	9,445	8,187
Communication costs	1,081	949	1,919
Facilities costs	822,718	811,547	877,992
	1,224,850	1,206,893	1,328,831

The Regional Municipality of Niagara Court Services

Notes to the Schedule

December 31, 2024

4 Program support costs (continued)

Program Support Costs for Automated Enforcement Only:

	Budget	2024	2023
	\$	\$	\$
Finance services	15,844	20,021	40
Human resources services	1,606	11,783	4,611
Information technology services	11,927	35,148	11,722
Insurance costs	70	64	0
	29,447	67,017	16,373

The Regional Municipality of Niagara Court Services

Schedule 1

Court Services Schedule of Revenues, Expenses & Funds Available for Distribution (excluding Automated Enforcement)

For the year ended December 31, 2024

	2024 Budget	2024 Actual	2023 Actual
Revenues:			
Offence receipts and other revenue	\$ 5,190,800	\$ 5,635,258	\$ 6,867,533
Total revenues	5,190,800	5,635,258	6,867,533
Controllable Expenditures:			
Salaries and benefits	2,100,507	2,079,224	1,883,650
Program support costs (note 4)	1,224,850	1,206,893	1,328,831
Collection charges	180,000	142,853	177,017
Legal	50,000	38,026	32,442
Payment processing costs	81,000	96,815	91,431
Telephone	8,300	7,673	6,768
Office and administration	86,932	87,059	63,624
	3,731,589	3,658,543	3,583,763
Uncontrollable Expenditures:			
Revenue collected on behalf of other municipalities/provinces	80,000	194,583	129,894
Victim fine surcharge	519,120	821,757	1,085,861
Adjudication	250,000	228,414	203,916
Dedicated fines	20,000	81,367	99,363
Other provincial expenditures	226,500	170,159	172,553
	1,095,620	1,496,150	1,691,587
Total expenditures	4,827,208	5,154,694	5,275,350
Excess of revenue over expenditures	363,592	480,564	1,592,183
Change in employee benefits and other liabilities	-	20,996	(65,711)
Transfer to Niagara Region (note 2)	(200,000)	(200,000)	(200,000)
Funds available for distribution (note 3)	\$ 163,592	\$ 301,560	\$ 1,326,472

The Regional Municipality of Niagara Court Services

Schedule 2

Court Services Schedule of Revenues, Expenses & Funds Available for Distribution (Automated Enforcement)

For the year ended December 31, 2024

	2024 Budget	2024 Actual	2023 Actual
Revenues:			
Offence receipts and other revenue	\$ 4,719,428	\$ 6,162,547	\$ 1,235,874
Total revenues	4,719,428	6,162,547	1,235,874
Controllable Expenditures:			
Salaries and benefits	896,113	482,922	189,272
Program support costs (note 4)	29,447	67,017	16,373
Collection charges	-	3,917	-
Call in prosecution	160,000	-	-
Payment processing costs	59,976	100,134	12,200
Telephone	-	1,475	-
Office and administration	35,904	29,536	2,625
	1,181,440	685,001	220,470
Uncontrollable Expenditures:			
Victim fine surcharge	1,010,900	1,053,824	213,860
Adjudication	225,930	22,947	-
Dedicated fines	-	8,558	-
Other provincial expenditures	203,946	141,417	30,456
	1,440,776	1,226,746	244,316
Total expenditures	2,622,216	1,911,746	464,786
Excess of revenue over expenditures	2,097,212	4,250,801	771,089
Transfer to Niagara Region (note 2)	(2,097,212)	(1,254,103)	(771,089)
Funds available for distribution (note 3)	\$ -	\$ 2,996,698	\$ -

Statistical



St. John's Conservation
Area, Pelham.
Photo by: Bobbie Johnston,
Niagara Falls



Five Year Statistical Review

Year ended December 31, 2024, with comparative information for 2023-2020 (unaudited – in thousands of dollars)

	2024	2023	2022	2021	2020
Consolidated Financial Position					
Financial Assets					
Cash	\$ 157,703	\$ 107,166	\$ 128,746	\$ 169,862	\$ 224,114
Investments	910,922	845,442	832,296	787,658	658,015
Accounts receivable	138,902	125,519	105,156	104,799	78,204
Other current assets	727	1,030	1,405	1,509	1,798
Debt recoverable from others	365,485	343,472	341,860	345,859	324,254
Total financial assets	1,573,739	1,422,629	1,409,463	1,409,687	1,286,385
FINANCIAL LIABILITIES					
Accounts payable and accrued liabilities	207,360	217,859	180,988	172,733	157,970
Employee future benefits and post-employment liabilities	151,355	140,995	131,906	124,330	116,148
Deferred revenue	456,306	386,326	339,149	289,795	235,356
Asset retirement obligations *	140,275	151,110	77,703	78,250	67,872
Contaminated sites liability	3,563	576	576	576	576
Long-term liabilities	757,934	709,742	738,571	762,474	740,201
Capital lease obligation	4,018	4,082	4,144	4,204	4,262
Total financial liabilities	1,720,811	1,610,690	1,473,037	1,432,362	1,322,385
Net debt	(147,072)	(188,061)	(63,574)	(22,675)	(36,000)
NON-FINANCIAL ASSETS					
Tangible capital assets	2,480,258	2,396,341	2,097,154	2,053,549	1,903,743
Inventory	12,928	13,702	10,567	9,298	8,485
Prepaid expenses	30,494	26,848	21,784	19,329	19,522
Other investment	1,575	875	-	-	-
Total non-financial assets	2,525,255	2,437,766	2,129,505	2,082,176	1,931,750

	2024	2023	2022	2021	2020
Accumulated surplus	\$2,378,183	\$2,249,705	\$2,065,931	\$2,059,501	\$1,895,750

* In 2023 Niagara Region adopted PSAS 3280 Asset Retirement Obligations on a prospective basis which replaced PSAS 3270 Solid Waste Landfill Closure & Post Closure Liability which were used in the 2020 – 2022 statistics.

Five Year Statistical Review

Year ended December 31, 2024, with comparative information for 2023-2020 (unaudited – in thousands of dollars)

	2024	2023	2022	2021	2020
NET LONG-TERM LIABILITIES					
Total long-term liabilities	\$ 786,191	\$ 735,328	\$ 761,659	\$ 783,184	\$ 758,658
Sinking fund assets	(28,257)	(25,586)	(23,088)	(20,710)	(18,457)
Debt recoverable from others	(365,485)	(343,472)	(341,860)	(345,859)	(324,254)
Net Long-Term Liabilities	\$392,449	\$366,270	\$ 396,711	\$ 416,615	\$ 415,947
Recovered from:					
Tax levy	295,821	267,877	298,466	322,575	333,159
Special levy	11,027	12,931	8,540	-	-
Rate supported	85,601	85,462	89,705	94,040	82,788
	392,449	366,270	396,711	416,615	415,947
Net long-term liabilities per capita	\$728	\$697	\$ 800	\$ 859	\$ 863

Annual Repayment Limit

	2024	2023	2022	2021	2020
25% of own source revenues	\$220,523	\$206,825	\$ 180,207	\$ 172,188	\$ 163,861
Debt payments (interest and principal)	\$45,030	\$48,033	\$ 47,246	\$ 46,666	\$ 46,351
Annual repayment limit (\$)	\$175,493	\$158,792	\$ 133,067	\$ 125,522	\$ 117,510
Debt payments per capita	\$81	\$91	\$ 95	\$ 94	\$ 94
Debt payments as a percentage of total expenses	3.4%	3.7%	4.3%	4.4%	4.6%

Five Year Statistical Review

Year ended December 31, 2024, with comparative information for 2023-2020 (unaudited – in thousands of dollars)

Consolidated Statement of Operations

	2024	2023	2022	2021	2020
REVENUES BY SOURCE					
Property taxpayer	\$ 504,146	\$ 464,341	\$ 441,801	\$ 423,319	\$ 409,551
Sewer charges	102,907	93,667	85,065	80,333	78,648
Water charges	54,330	50,566	47,922	44,711	44,913
Transit Special Levy	59,015	58,603	-	-	-
Waste management	45,903	45,999	60,648	59,533	49,925
User charges	88,556	88,466	60,074	52,094	52,582
Government of Canada grants	42,121	42,855	33,685	30,586	31,841
Province of Ontario grants	473,148	439,613	384,021	359,896	354,193
Other municipalities	1,038	1,123	2,635	11,070	640
Development charges	35,602	51,512	36,935	28,771	33,428
Investment income	14,481	16,728	20,637	15,787	15,343
Court services	11,791	8,111	5,057	6,121	5,068
Gain on transfer of tangible capital assets	-	-	(77,745)	46,994	-
Contributed tangible capital assets	6,633	78,106	-	-	-
Miscellaneous income/other	22,490	25,245	15,469	30,705	9,136
Total revenue by source	1,462,161	1,464,935	1,116,203	1,189,920	1,085,268
EXPENSE BY FUNCTION					
General Government	31,158	50,272	39,164	54,972	52,542
Protection to persons and property	251,378	228,939	217,074	211,781	196,100
Transportation services	159,784	150,912	80,930	75,045	87,555
Environmental services	169,979	182,434	176,583	166,576	154,424
Health services	138,094	141,821	141,772	135,532	114,626

	2024	2023	2022	2021	2020
Social and family services	452,008	401,646	351,694	299,911	308,768
Social housing	81,105	80,579	70,220	66,112	64,707
Recreation services	2,194	1,801	920	-	-
Planning and development	47,983	42,757	31,416	16,240	10,318
Total expenses by function	1,333,683	1,281,161	1,109,773	1,026,169	989,040
Annual Surplus	128,478	183,774	6,430	163,751	96,228
Accumulated surplus, beginning of year	2,249,705	2,065,931	2,059,501	1,895,750	1,799,522
Accumulated surplus, end of year	\$2,378,183	\$2,249,705	\$2,065,931	\$2,059,501	\$1,895,750
ANALYSIS OF EXPENSES BY OBJECT					
Salaries, wages and employee benefits	\$ 609,445	\$ 567,388	\$ 503,681	\$ 484,621	\$ 444,021
Operating expenses	357,607	372,163	319,465	293,445	270,961
External transfers to others	232,297	220,129	176,172	140,916	168,153
Debt services	13,517	13,803	14,243	14,270	13,574
Amortization	120,387	107,678	96,212	92,917	92,331
Total expenses by object	\$1,333,253	\$1,281,161	\$1,109,773	\$1,026,169	\$ 989,040

Five Year Statistical Review

Year ended December 31, 2024, with comparative information for 2023-2020 (unaudited – in thousands of dollars)

Consolidated Statement of Change in Net Debt

	2024	2023	2022	2021	2020
Annual surplus	\$ 128,478	\$ 183,774	\$ 6,430	\$ 163,751	\$ 96,228
Acquisition of tangible capital assets	(197,857)	(341,426)	(217,611)	(185,994)	(172,451)
Contributed tangible capital asset	(6,633)	(78,106)	-	(11,547)	(951)
Transfer to (from) tangible capital assets held for sale	-	-	-	(450)	(910)
Amortization of tangible capital assets	120,387	107,678	96,212	92,917	92,331
Loss (gain) on transfer of assets	-	-	77,745	(46,994)	-
Gain (loss) on sale of tangible capital assets	111	(498)	(246)	1,013	1,973
Proceeds on sale of tangible capital assets	75	13,165	295	1,250	194
Change in inventory	774	(3,135)	(1,269)	(813)	(987)
Change in other investment	(700)	(875)	-	-	-
Change in prepaid expenses	(3,646)	(5,064)	(2,455)	192	(913)
Change in net debt	40,989	(124,487)	(40,899)	13,325	14,514
Net debt, beginning of year	(188,061)	(63,574)	(22,675)	(36,000)	(50,514)
Net debt, end of year	\$(147,072)	\$(188,061)	\$ (63,574)	\$ (22,675)	\$ (36,000)

RESERVES

Capital	\$ 129,171	\$ 111,790	\$ 119,943	\$ 138,527	\$ 143,821
Stabilization	68,011	69,462	86,432	96,643	84,030
Future Liability	39,981	42,619	44,284	46,600	47,617
Specified Contribution	27,379	21,910	20,307	9,233	7,983
Total	\$ 264,541	\$ 245,780	\$ 270,965	\$ 291,002	\$ 283,451

	2024	2023	2022	2021	2020
REVENUE ANALYSIS					
Property taxes and user charges as a percentage of consolidated revenue	54.4%	50.7%	62.3%	55.5%	58.6%
Total grants as a percentage of consolidated revenue	35.3%	33.0%	37.7%	33.8%	35.6%

Tax Levy

	2024	2023	2022	2021	2020
Regional tax levy	\$ 483,038	\$ 444,447	\$ 422,301	\$ 405,301	\$ 392,570
Regional government tax levy change (Net tax increase/decrease after assessment growth)	7.02%	7.58%	2.87%	1.80%	5.92%

Taxable Assessment

	2024	2023	2022	2021	2020
Residential and farm	\$57,455,378	\$56,407,322	\$55,318,603	\$54,347,323	\$53,383,248
Commercial, industrial and business	8,560,018	8,478,719	8,397,661	8,413,471	8,407,236
Total	\$66,015,396	\$64,886,040	\$63,716,264	\$62,760,794	\$61,790,484
Per household	\$266,950	\$264,653	\$260,647	\$263,731	\$261,947
Commercial, industrial, business, as a % of taxable assessment	13.0%	13.1%	13.2%	13.4%	13.6%
Typical residents' annual regional property taxes (Average assessment for the Region)	\$1,989	\$1,743	\$1,684	\$1,640	\$1,602

Five Year Statistical Review

Year ended December 31, 2024, with comparative information for 2023-2020 (unaudited – in thousands of dollars)

Top Five Regional Commercial Taxpayers

- OBP 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.
- John Deere Limited
- Cyttec Canada Inc.

Niagara Region Top Employers (Total Number of Employees)

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

Five Year Statistical Review

Year ended December 31, 2024, with comparative information for 2023-2020 (unaudited – in thousands of dollars)

Statistics

	2024	2023	2022	2021	2020
DEMOGRAPHIC STATISTICS					
Population (a)	539,180	525,352	496,059	484,840	481,727
Median population age (a)	46.0	46.0	46.0	46.0	46.0
Number of households (b)	215,229	213,137	212,236	206,071	203,794
Total school enrollment (e)	65,814	66,114	61,444	60,287	59,936
ECONOMIC STATISTICS					
Average household income (c)	\$ 106,227	\$ 102,675	\$ 97,200	\$ 93,357	\$ 91,842
Niagara Region government full-time employees	4,301	4,243	4,163	4,292	4,009
Unemployment rates (a):					
Niagara Region	7.4%	5.8%	5.2%	9.8%	9.6%
Ontario	7.0%	5.7%	5.6%	8.0%	9.6%
Canada	6.4%	5.4%	5.3%	7.5%	9.5%
Average monthly Ontario Works caseloads	12,903	11,774	9,887	8,312	9,754
Housing starts (d)	1,757	2,810	2,771	2,698	2,897
OPERATIONAL STATISTICS					
Annual disposal residential solid waste (metric tonnes) (Note 1)	80,041	80,041	78,913	85,391	91,186
Annual diversion of residential solid waste (metric tonnes) (Note 1)	120,247	120,247	126,535	126,535	119,050
Annual supply of treated water (000 m3)	58,459	56,474	56,239	54,065	55,517
Annual wastewater flows (000 m3)	71,248	76,722	71,427	67,111	69,213

Five Year Statistical Review

Year ended December 31, 2024, with comparative information for 2023-2020 (unaudited – in thousands of dollars)

Building Permit Values

	2024	2023	2022	2021	2020
Residential & agricultural (a)	\$1,004,923	\$1,010,278	\$1,390,753	\$1,180,978	\$948,139
Business & commercial (a)	199,837	137,456	152,190	132,401	272,229
Industrial (a)	161,696	166,679	116,825	104,997	68,917
Government & institutional (a)	169,912	151,936	94,410	296,109	88,027
	\$1,536,368	\$1,466,349	\$1,754,178	\$1,714,485	\$1,377,312

Note:

1. 2024 residential solid waste values are based on data collected for MBNC reporting purposes. As of 2024, data is no longer required to be submitted to the RPRA Blue Box Program Datacall but still collected for reporting purposes.

Source:

- (a) Statistics Canada
- (b) Municipal Property Assessment Corporation
- (c) BMA Management Study weighted by local household count
- (d) CMHC Canadian Housing Observer
- (e) District School Board of Niagara and Niagara Catholic District School Board



**Growing
Better
Together**

Niagara  **Region**

2024 Annual Financial Report

niagararegion.ca

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June 2025