

# 2025 Annual Financial Report

Prepared by Financial Reporting,  
Corporate Services, Niagara Region  
For the year ended Dec. 31, 2025  
Niagara Region | Ontario Canada  
[niagararegion.ca](http://niagararegion.ca)



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Many of the figures have been rounded to thousands making the figures easier to read and for trends to be spotted and understood. Rounding will occasionally result in a "rounding error", which is the difference between the result produced using exact arithmetic and the result produced using rounded arithmetic (if you were to use your calculator and add up the rounded figures in the schedules).



# Introduction



Welland Canal in Thorold  
Photo by: Adelaide Dy, Fort Erie



## Purpose

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Niagara Region’s annual report provides an opportunity to reflect on and highlight some of the accomplishments from 2025. This document also provides transparent financial information to taxpayers regarding the use of financial resources entrusted to Niagara Region for the purpose of providing municipal services and infrastructure.

The organization’s core values and collective mission form the basis of Niagara Region’s work on the Strategic Plan for 2023-2026.

## Vision

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

## Mission

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

## Values

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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.



Vineyards in Niagara-on-the-Lake Photo by: Tina Embrey

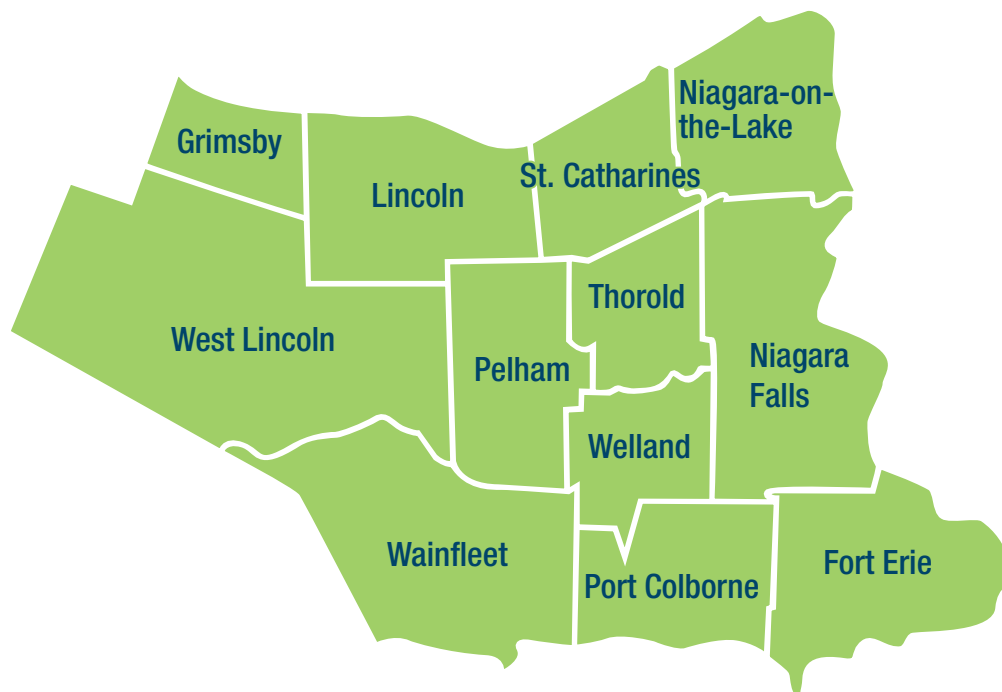


## Two-Tier Government System

Niagara Region is part of a two-tier municipal 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 municipal 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  
**551,128**



The median family income is approximately  
**\$114,562**



Median age is  
**46 years**





**Jim Bradley**  
Regional Chair

## 2022-2026 Regional Council

Niagara Region is one of seven regional governments in Ontario. 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. Chair Bob Gale was appointed in December 2025 following the passing of Chair Jim Bradley in September.



**Bob Gale**  
Regional Chair



**Vance Badawey**  
Port Colborne



**Haley Bateman**  
St. Catharines



**Frank Campion**  
Welland



**Pat Chiochio**  
Welland



**Kim Craitor**  
Niagara Falls



**Jim Diodati**  
Niagara Falls



**Sandra Easton**  
Lincoln



**Robert Foster**  
Lincoln



**Cheryl Ganann**  
West Lincoln



**Barbara Greenwood**  
Niagara Falls



**Brian Grant**  
Wainfleet



**Brian Heit**  
St. Catharines



**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 Olson**  
Pelham



**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 Ugulini**  
Thorold



**Leanna Vilella**  
Welland

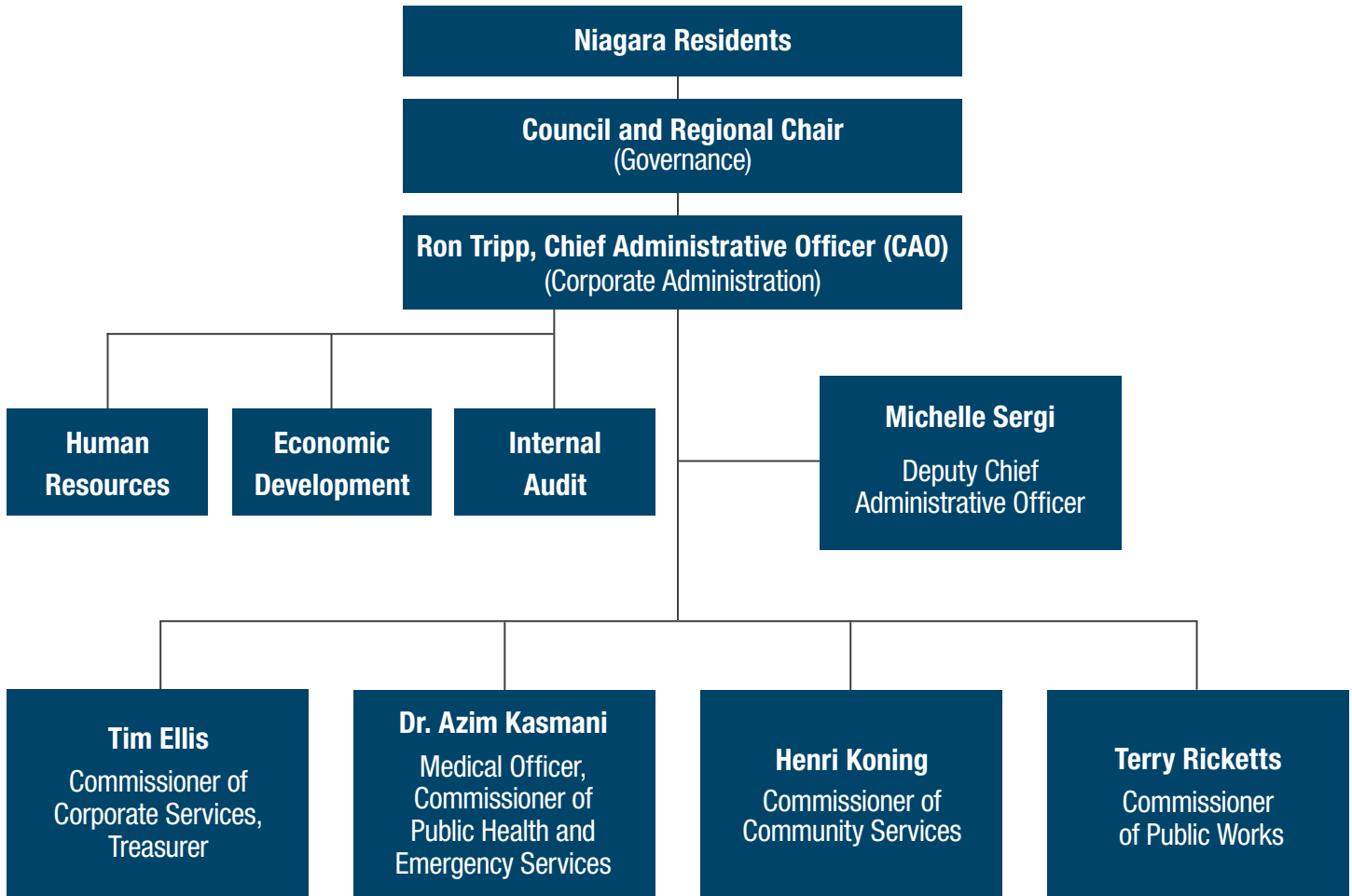


**Gary Zalepa**  
Niagara-on-the-Lake



# Niagara Region Organizational Chart

as of Dec. 2025



## 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: Pat Chiocchio  
Vice-Chair: Nyarayi Kapisavanhu
- **Joint Board of Management**  
**Niagara Region Courts**  
Chair: Jennifer Stirton  
Vice-Chair: Philip Riley

## 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



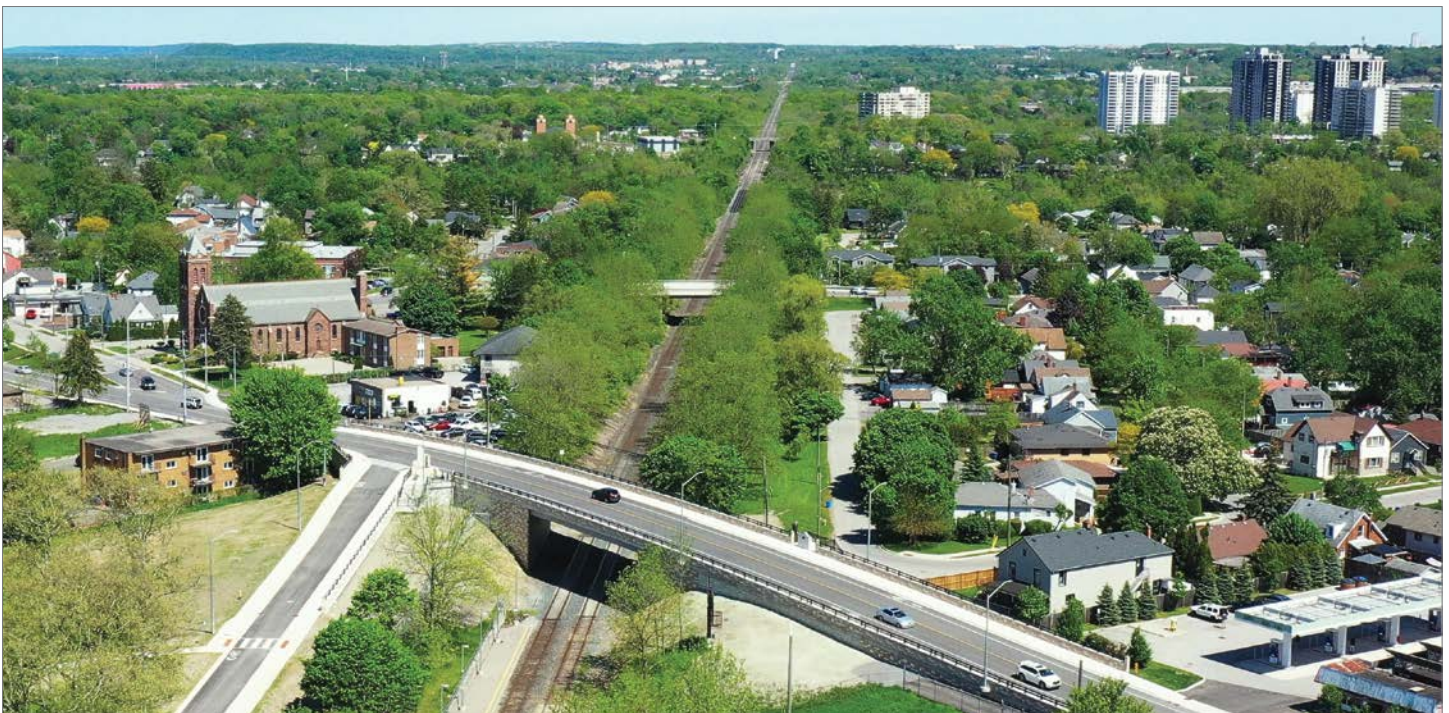
# Where are we?

**Niagara embraces a unique mix of urban life and rural traditions, Canadian culture and international relationships. 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 — plus one of Canada's most recognizable 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 projected to add at least 100,000 residents by 2051. This is a place people want to live, and we're committed to providing the core services and infrastructure 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, leadership and community supports that create the conditions for success.



Newly finished St Paul Street West Bridge



# 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.

Responsible management of Niagara Region's \$12 billion in assets is a significant contributor toward effective service delivery. In 2025, Council approved the Corporate Asset Management Plan, which assesses the condition of assets, identifies risks, and outlines the financial investments required to maintain Niagara Region's existing or planned Level of Service.

This infrastructure provides for some of our residents' most basic needs, like water. In 2025, Niagara Region invested more than \$118 million in key infrastructure projects to provide our communities with essential drinking water and effective wastewater treatment now and into the future. This includes projects such as Niagara Falls Wastewater Treatment Plant upgrades, Decew Water Treatment Plant upgrades, the new Fort Erie Elevated Water Tank, and rehabilitation of the Thundering Waters Sanitary Trunk Sewer.

As we continue working toward achieving our vision for Niagara region, staff and Council are investing in services that affect our residents from birth to old age. In 2025, this included opening four new EarlyON centres across the region, including one in the Senior's Community Hub in Gilmore Lodge.

Niagara Region also committed resources to assess low-income eligibility for the Niagara Transit Benefit Pass program, which provides discounted monthly passes to individuals and families on Ontario Works, Ontario Disability Support Program or those who qualify based on low-income criteria.

To meet projected demand for housing, the Consolidated Housing Master Plan was updated with a 25-year roadmap to finance and build nearly 3,000 units of housing. Regional Council also endorsed the new Attainable Housing Strategy as part of our commitment to meeting the challenge of affordable and attainable housing for all.



From top: Future home of Port Colborne's new Licensed Child Care Centre, Groundbreaking for reconstruction of Regional Road 20 in West Lincoln



# 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 council members 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

Community Services supports those who need it most, including children, vulnerable individuals and older adults. Working with community partners, local municipalities and other levels of government, Community Services plans, delivers and coordinates services including homelessness and housing supports, income and employment programs, childcare and early years services, seniors' and long-term care services as well as community safety and well-being initiatives. These efforts strengthen stability and contribute to a more prosperous and inclusive community. Our services are broken down into five divisions: Children's Services, Homelessness Services, Housing Services, Seniors Services and Social Assistance.



28

family physicians  
recruited in 2025



2,900 seniors  
supported through  
community programs





### Corporate Services

Corporate Services delivers finance, legal, facilities, technology, asset management, 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.



**100,030**  
responses to 911 calls

**17,678**  
in-person mental  
health visits



### 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 six divisions: Clinical Services, Medical, Emergency Services, Environmental Health, Family and Community Health, and Health Promotion and Foundational Services.



**1,808 km**  
of roads maintained

**165,832**  
potholes patched

**124,500 m**  
of cracks sealed



### 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: Capital Planning and Asset Management, Infrastructure Planning and Development, Transportation, Waste Management, and Water and Wastewater services.



# Agencies, Boards and Commissions

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## **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 is the steward of 43 conservation areas in the Niagara Peninsula, with 3,167 hectares of conservation lands owned and managed across the watershed. It is responsible for flood and hazard management, source water protection, land management, restoration and stewardship.



## **Niagara Transit Commission**

Niagara Transit Commission provides safe, reliable and sustainable transit service across Niagara region. 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

**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.

Newly rebuilt intersection on Ridley Rd, part of the St. Catharines GO Station precinct development project



# 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 Region Headquarters

## Highlights



### Data Governance

The Region is strengthening its commitment to data governance through identification and implementation of a comprehensive data management platform. Along with reconvening the data governance steering committee, which will provide direction on the organization's information governance approach.



### Shared Services Agreement with Niagara Region Transit

Staff at the Region have created a shared services agreement with Niagara Region Transit to provide critical corporate and administrative support to Transit Services in a cost effective and efficient manner.



### Business Continuity Plans

All teams completed a Business Impact Analysis (BIA) to determine the operational impacts that a disruption or emergency may have on the organization. The BIA serves as a launching point for the creation of business continuity plans, staffing contingency plans, and strategies for risk mitigation or response.



### Corporate Record Digitization Procedure

Staff have developed and implemented a new corporate record digitization procedure. This procedure supports departments and divisions in digitizing records and ensures electronic records meet established quality control and assurance standards.



# 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



Niagara Region waste and organics collection

## Highlights

### Irrigation Initiative

The Steering Committee is pleased to announce that up to \$1.8 million in total funding has been secured to advance the Niagara Irrigation Initiative Project. The Project is receiving funding from the Government of Canada and the Ontario Ministry of Agriculture, Food and Agribusiness through the Sustainable Canadian Agricultural Partnership, the Canada Infrastructure Bank, and the Greenbelt Foundation. Additional project partners include Ontario Tender Fruit Growers, Grape Growers of Ontario, local Niagara Greenhouse Growers, the Town of Niagara-on-the-Lake, Town of Lincoln, City of St. Catharines and Niagara Region.

### Community Energy Plan

The Region has secured funding from the Ministry of Energy and Mines and Enbridge to support the Community Energy Plan. The plan will look at energy use across Niagara's key sectors and set out a clear path toward a more sustainable and resilient energy system.

### Waste Management Strategic Plan

The Waste Management Strategic Plan has been developed. Staff are working on the implementation plan with detailed timelines outlining short-term (five years) and longer-term (five-25 year) actions.

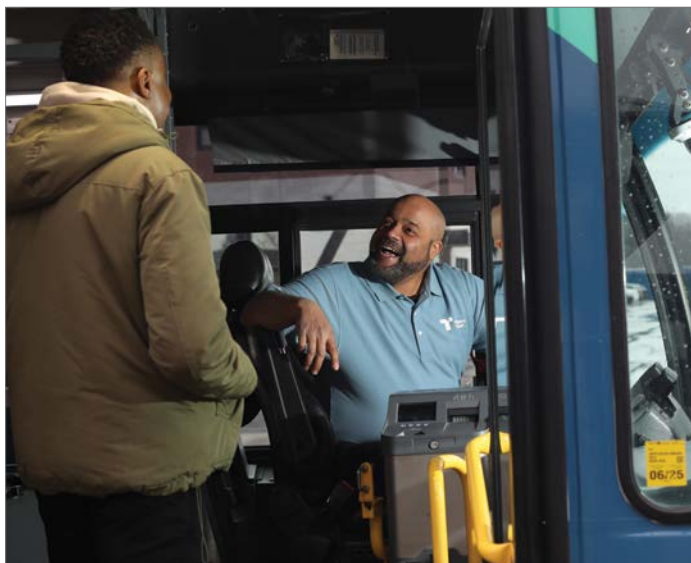


# Equitable Region

**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



Niagara Transit passenger and driver

## Highlights



### Community Safety and Well-Being Plan

The new Community Safety and Well-Being Plan (2025-2029) has been approved by Council. Extensive community engagement was done to inform the focus areas which include mental health and addictions, homelessness and basic needs, gender-based violence, and community safety.



### Homelessness Action Plan

Staff received guidance from the Province to update the Housing and Homelessness Action Plan. A project plan has been developed to meet the Q2 2026 timeline. A project team is being assembled, and engagement has begun for input on the updated plan.



### Transit Benefit Pass

Niagara Region staff collaborated with the Niagara Transit Commission to successfully launch the Transit Benefit Pass on July 1, enhancing transit access for low-income individuals. This partnership resulted in the sale of 5,176 Transit Benefit Passes in 2025, representing a 338 per cent increase compared to 2024.



### Poverty Reduction Strategy

Seven agencies received funding in Q2 2025, which supported 1,807 people who are living in poverty and three new Living Wage Employers. Nine individuals were identified through the Situation Tables and received clinical therapy. Local shelters also benefited from 9,000 pounds of food recovered from local restaurants.



# 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



Niagara Falls Train Station

## Highlights



### Provincial and Federal Government Advocacy

Staff and Council members met with government officials throughout the year to build support for key initiatives, including the Consolidated Housing Master Plan, the Highly Supportive Housing Initiative, physician recruitment, expanded childcare spaces, the South Niagara Wastewater Treatment Solutions project, and bringing two-way, all-day GO train service to Niagara.



### St. Paul Street West Bridge

The replacement of the St. Paul Street West Canadian National Railway bridge in St. Catharines was completed in 2025. It reopened to traffic and pedestrians a full year ahead of schedule. The bridge was replaced as part of the larger GO Station Precinct project.



### South Niagara Wastewater Treatment Solutions

Staff and Council advocated with the Provincial and Federal governments to find innovative funding solutions for the South Niagara Wastewater Treatment Solutions project. The project will immediately create 250-300 construction jobs, and the completed wastewater plant, trunk sewer and other infrastructure will support over 30,000 housing units.



### Special Needs Resourcing

The Region fosters an inclusive, supportive environment that promotes positive developmental outcomes for all children. Delivery of inclusion services in early years and childcare was modernized to increase supports for children and families across the region.



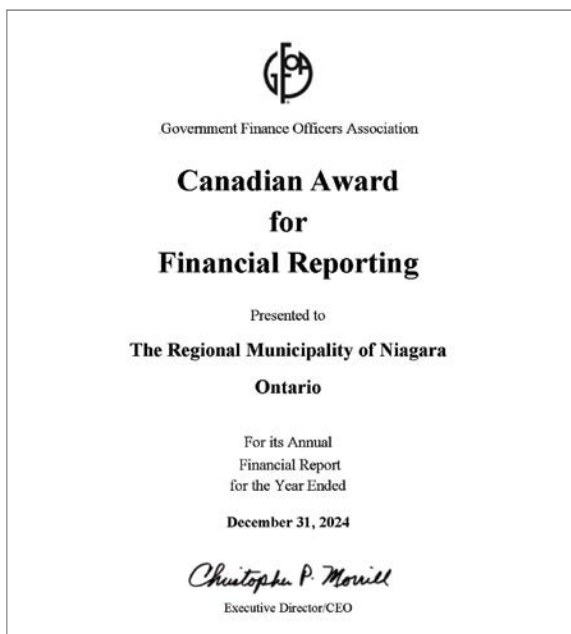
# Awards and Achievements

**Niagara Region continued its commitment to fiscal responsibility in 2025. 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 twenty-first year in a row for excellence in government accounting and financial reporting for its 2024 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 fourth 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 2025 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 seven of our long-term care homes are Accredited with Exemplary Standing under the Qmentum accreditation program with Accreditation Canada.



# Report From The Treasurer

I'm pleased to present the 2025 Niagara Region Treasurer's Report and Annual Financial Report. This is the culmination of work from our dedicated Niagara Region Financial Management and Planning team with contributions from colleagues throughout the organization. The 2025 financial results highlight how responsible financial management translates into tangible outcomes that provide value to Niagara's communities. The projects, programs, services and achievements highlighted in the 2025 Annual

Financial Report are a small sample of the breadth of work carried out to meet Regional Council's Strategic Priorities for 2023-2026. Through expert financial management and dedicated delivery, we are ensuring everyone in Niagara region is Growing Better Together.

## Beth Brens

Director of Finance/Deputy Treasurer  
June 2026

## Property Taxes

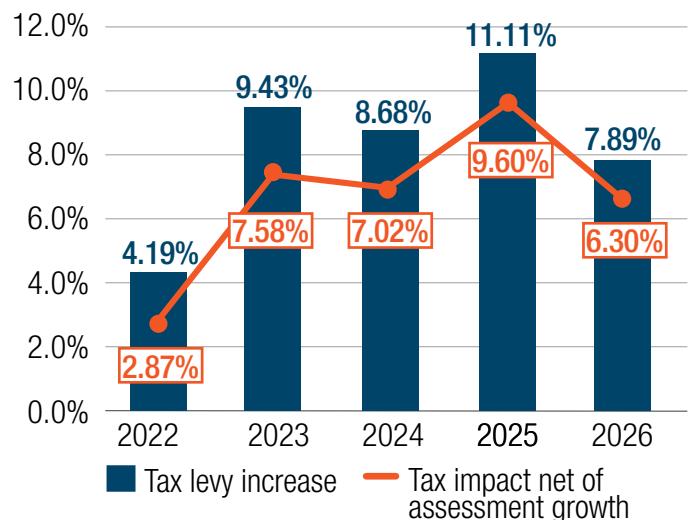
On December 12, 2024, Regional Council approved a 9.60 per cent increase, net of assessment growth of 1.51 per cent, in regional taxes for a 2025 tax-supported operating budget with a tax levy of \$536.7 million and a capital budget of \$376.1 million.

### The 2025 general tax levy operating budget included:

- \$12.1 million to support infrastructure needs for Regional departments and agencies, boards and commissions
- \$5.4 million in development grants to support major industrial investments including a new battery separator plant in Port Colborne
- \$1.8 million to support investments in social assistance for 21 new staff members to improve the ratio between case managers and clients
- \$1.5 million to support additional ambulances with 16 paramedics and three support staff

- \$1.3 million to support a new homeless shelter in South Niagara Falls
- \$0.7 million to stabilize Niagara Region Housing stock

**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 2026 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 2025 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.

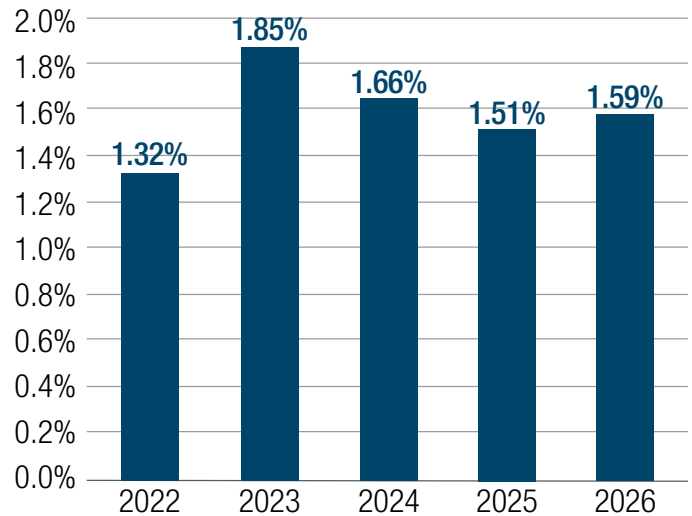
Assessment growth for any given year is based on the information received from the Municipal Property Assessment Corporation (MPAC) and is used in setting the tax rates at the time of budget approval.

## Property Taxes as a Per Cent of Household Income

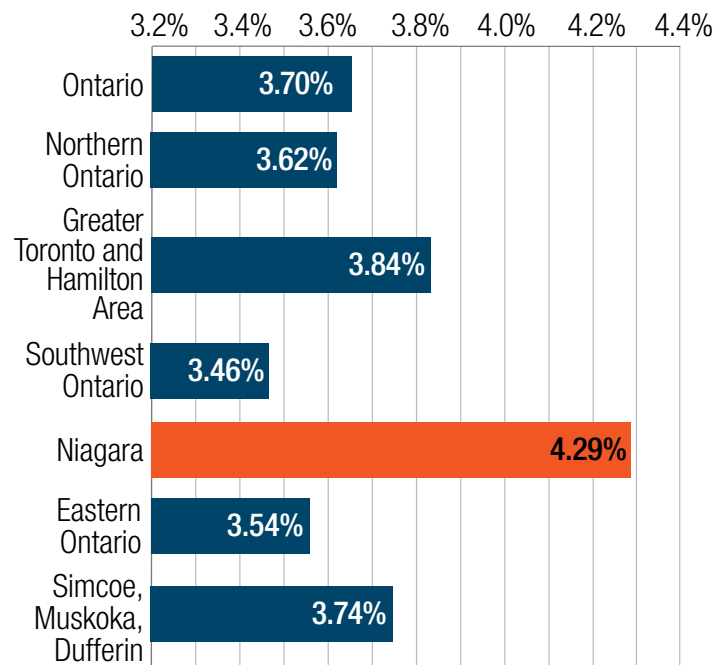
For the average property assessed at \$298,000 in 2025, the Regional portion of the property tax bill increased by \$187, totalling \$2,176. As a measure of affordability for residents, property taxes as a percentage of household income have remained relatively consistent with a small increase from 2024. In 2025, property taxes for Niagara accounted for 4.29 per cent of household income (2024 – 4.15 per cent). (See **Figure 3**)

During 2025, Niagara Region collected \$536.7 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 2: Historical Assessment Growth**  
(per cent)

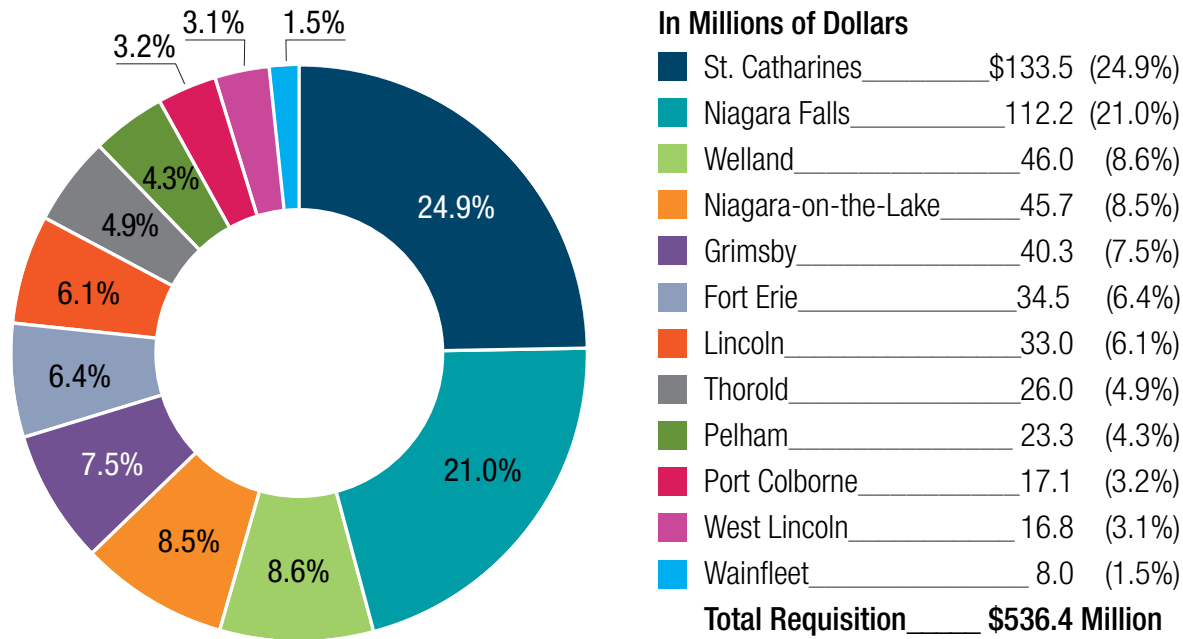


**Figure 3: Property Taxes As Per Cent of Household Income**  
(per cent)



**Figure 4: 2025 Taxation Requisition by Local Area Municipality**

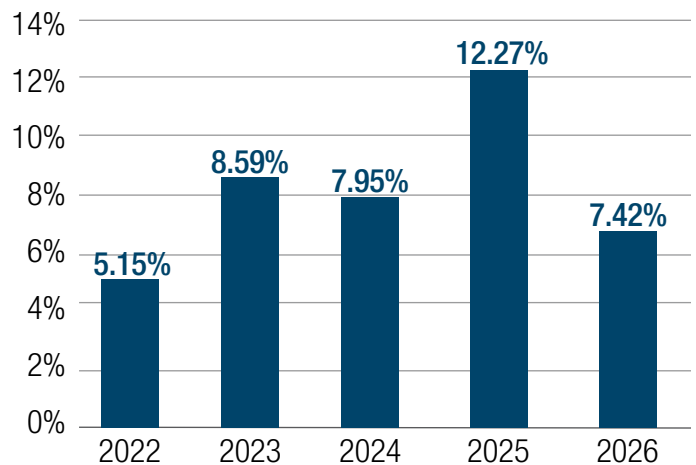
(In per cent and millions of dollars)



## Water and Wastewater

The Niagara Regional Council approved a rate budget increase for Water and Wastewater Services for 2025 of 12.27 per cent, for a total amount of \$173.5 million. The Water and Wastewater budget ensures continuity of essential operations and essential services while supporting necessary upgrades and investments in critical infrastructure. (See **Figure 5**)

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



# 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. (See **Figure 6**)

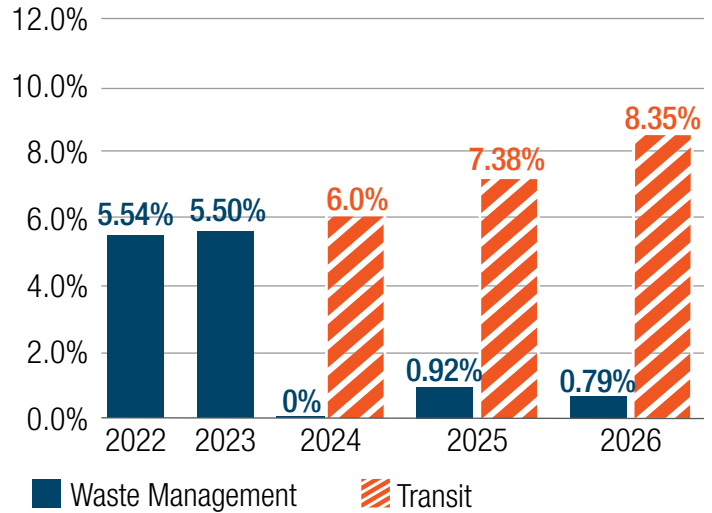
## Waste Management

Niagara Regional Council approved a special tax levy of \$45.6 million or 0.92 per cent increase for waste management services before assessment growth, which resulted in an annual cost per household ranging from \$136 to \$279 per year depending on the municipality.

## Transit

Niagara Regional Council approved a special tax levy for the Niagara Transit Commission of \$62.7 million or 7.38 per cent before assessment growth. This will result in an annual cost per household ranging from \$71 per year to \$362 depending on the municipality.

**Figure 6: Historical Special Tax Levy Operating Budget Increase Before Assessment Growth (per cent)**



Passengers going onto a Niagara Transit bus



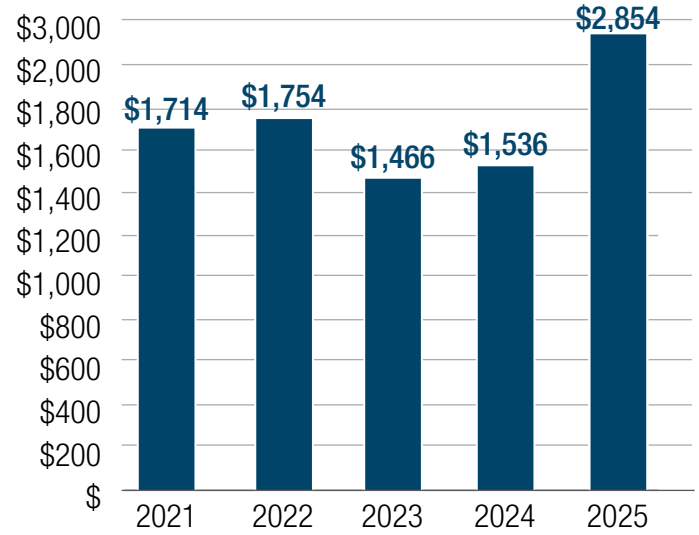
# Regional Economy Highlights

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.

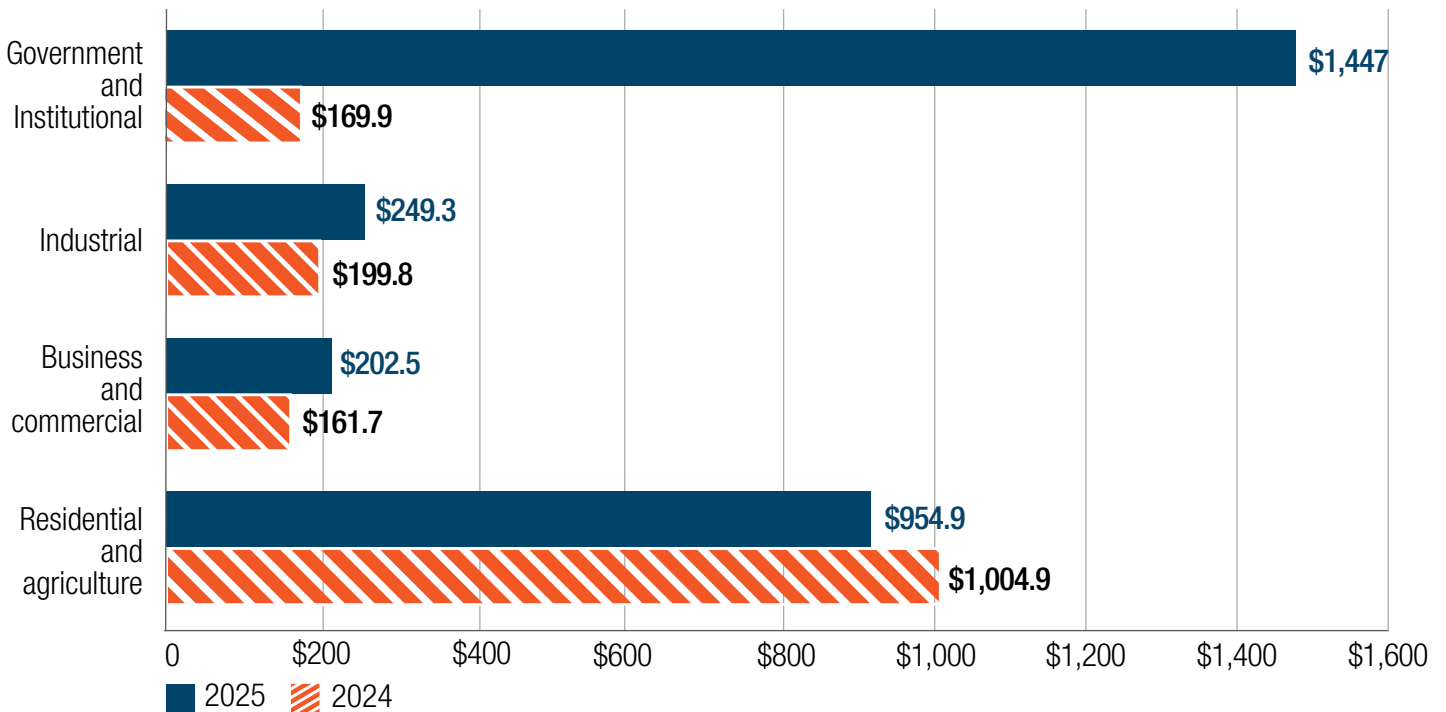
## Building Permits Issued

In 2025, the total value of building permits issued in Niagara region was just over \$2,854 million, which was an increase of more than \$1,318 million over 2024. The increase was predominantly driven by institutional and governmental permits reaching almost \$1,450 million, which includes the South Niagara Hospital, and residential permits exceeding \$954 million.

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



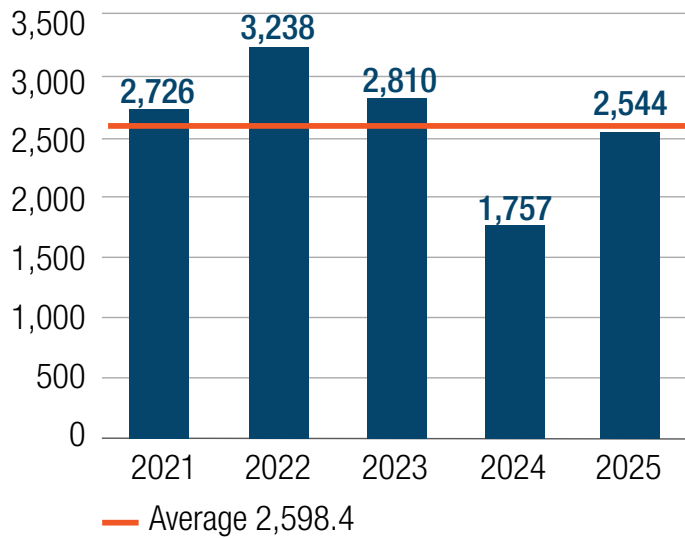
**Figure 8: Types of Building Permits Issued in 2025** (In millions of dollars)



## Housing Starts

In 2025, the Niagara region saw a 44.5 per cent increase in the number of housing starts during the year compared to 2024. In 2024, there was a total of 1,757 housing starts in Niagara and in 2025 that number increased to 2,544. The five-year average is 2,598 housing starts per year.

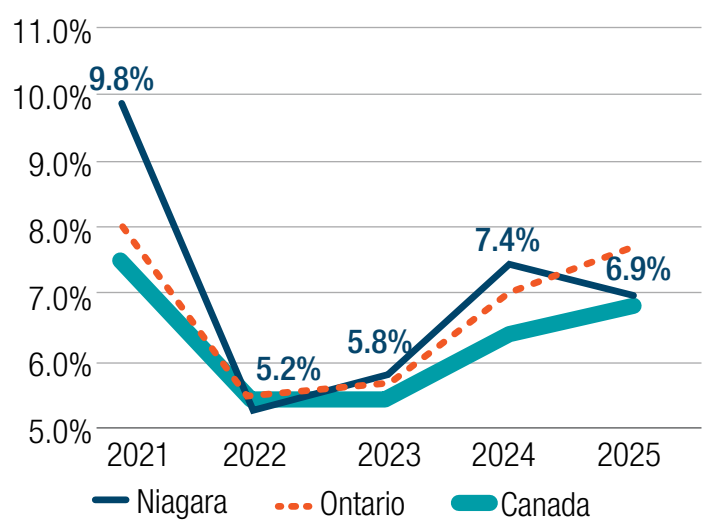
**Figure 9: Housing Starts**



## Unemployment Rates

Niagara region's unemployment rate has decreased slightly in 2025. The Niagara region ended 2025 with an unemployment rate of 6.9 percent, which is lower than the 2024 rate of 7.4 percent.

**Figure 10: Unemployment Rates (per cent)**



# Niagara Outlook and Trends

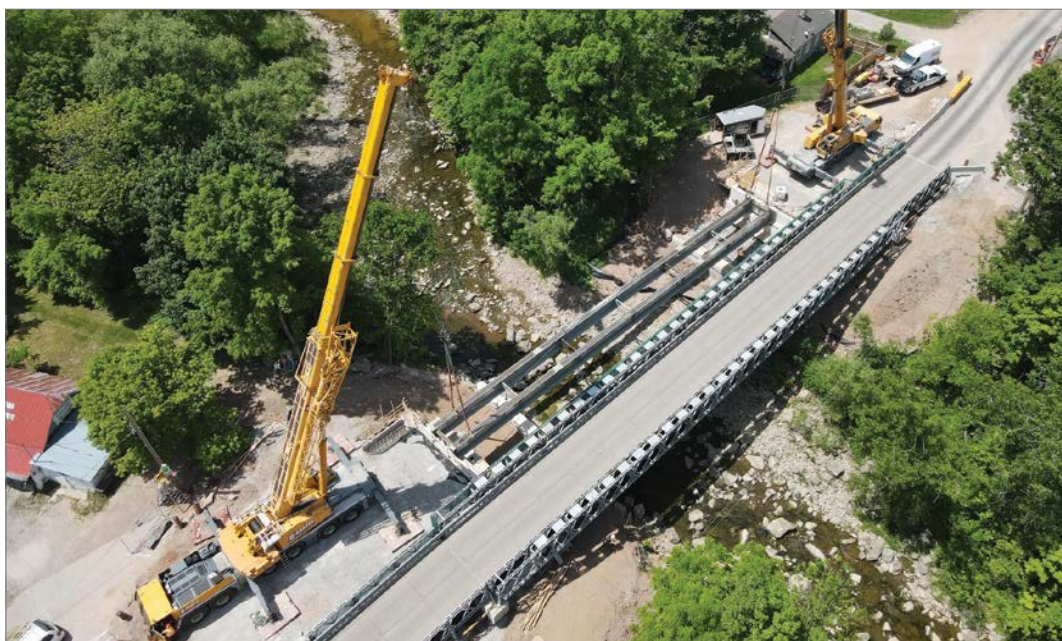
With several international border crossings and close ties to the United States, Niagara region faced unique challenges in 2025. In response to U.S. tariffs and trade pressures, Niagara Region swiftly acted through a highly visible shop local, support local awareness campaign to bolster the local economy. Bright spots included growth in Niagara's \$3-billion tourism industry, which represents six per cent of the region's gross domestic product and supports 40,000 jobs. Growth in the region's population and labour force, plus investments in industrial and commercial sectors, also helped offset external pressures. Overall, Niagara's gross domestic product grew by one per cent from Q3 2024 to Q3 2025, outpacing gross domestic product growth in Ontario and Canada. With average employment income increasing and housing prices becoming more affordable in 2025, Niagara region is well positioned to adapt to turbulent times.

## 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.

Approved in 2025, the updated Corporate Asset Management Plan presents the state of the Region's assets, service levels and risks related to maintaining the assets. The report indicates 70.97 per cent of the Region's assets are in fair condition or better, while 27.61 per cent are in poor or very poor condition. Investment is required over a long period of time to ensure we bring our assets to improved conditions. The 2025 Corporate Asset Management Plan covers the financial investments needed to support and sustain the Region's level of service, estimating a significantly higher investment backlog compared to the 2021 Corporate Asset Management Plan. The plan is the foundation for on-going financial strategies and budget recommendations for maintaining the Region's infrastructure, addressing a \$2.76 billion asset backlog and prioritizing a desired average annual renewal investment of \$585 million over the next 10 years.



New Twenty Mile Creek Bridge Replacement



Niagara Region oversees infrastructure assets worth more than **\$12.1 billion** in replacement value





Gilmore Lodge Official Opening Ribbon Cutting

In 2025, more than \$100 million was spent to build, improve and maintain Niagara Region's vital infrastructure. This includes improvements at the Glenridge and Mountain Road waste management sites, completion of the St. Paul St. West CNR Bridge and GO Precinct projects, and replacement of the Twenty Mile Arch Bridge. Additionally, more than \$118 million was invested in key Water and Wastewater Services projects, including upgrades at the Niagara Falls Wastewater Treatment Plant and Decew Water Treatment Plant 3, the new Fort Erie Elevated Water Tank, and rehabilitation of the Thundering Waters Sanitary Trunk Sewer.

### **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 \$770 and \$1,460 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.

### **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, 1,083 households receiving the Canada-Ontario Housing Benefit and 1,231 rent supplement units. We also helped 752 people successfully transition from emergency shelter to housing.

In 2025, Council approved a new Purpose-Built Rental Incentive Program designed to address key barriers to the development of new rental housing. The program encourages the building of market, attainable and affordable rental housing, with guarantees of affordability for at least 25 years.



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 a goal of creating 1.5 million new homes by 2031, the Region is making strides to reach its designated targets. The goals are set as 11,000 in St. Catharines, 8,000 in Niagara Falls, and 4,300 in Welland by 2031.

### Housing Statistics

- St. Catharines-Niagara has the **23rd highest rents in Ontario**
- Average rent is **\$1,313 for a one-bedroom unit**
- Average rent is **\$1,527 for a two-bedroom unit**
- There are **16,296 rental units** in St. Catharines-Niagara
- **26,000 households** need affordable housing
- **83 per cent are one-person households** and **14 per cent are lone-parent households**

### Aging Population

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

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.

Last year more than 1,000 older adults in need were helped by rapid response support. Niagara Region also directly supported 2,900 older adults through community programs, including breaks for families caring for loved ones through providing 12,000 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.



Residents at Rapelje Lodge using virtual reality headsets

### Population's Median Age

**46.0 Years** - Niagara <sup>1</sup>

**39.9 Years** - Ontario <sup>2</sup>

**40.6 Years** - Canada <sup>2</sup>

<sup>1</sup> 2021 Census

<sup>2</sup> Statistics Canada



## **Climate Change**

In May 2025, Council approved the Corporate Climate Change Action Plan, a comprehensive framework for achieving Net-Zero corporate greenhouse gas emissions by 2050. The plan focuses on strategy and policy for implementing decarbonization actions across Niagara Region's emissions sectors. By prioritizing efficiency, waste management, electrification, and green energy, Niagara Region is setting the foundation for a sustainable future.

As part of the plan, staff advanced several capital projects, including the installation of a hybrid heat pump and boiler system at the Branscombe Early Learning and Child Care Centre in Niagara Falls. This project is expected to reduce greenhouse gas by approximately 18 tonnes annually, which is roughly an 80 per cent reduction in emissions at the facility. Similar retrofits are planned for the Welland and Fort Erie Child Care Centres. Collectively, these projects are expected to contribute around 1.2 per cent toward the corporate goal of a 20 per cent emissions reduction by 2028.

In addition, Seniors Services implemented an ozone laundry system at four long-term care homes, delivering annual natural gas savings of up to \$4,000 per home, reducing electricity and chemical use, and lowering laundry water consumption by 25 per cent. Heating system upgrades at the Meadows of Dorchester and Northland Pointe homes improved energy performance through enhanced heat recovery controls and higher equipment efficiency. The ongoing replacement of 100 older toilets with high-efficiency models is also expected to save 110,000 gallons of water annually, demonstrating continued progress toward more sustainable and cost-effective operations across the long-term care portfolio.

To better understand current and future energy needs, a Community Energy Plan is being supported by up to \$90,000 in granted matching funding from the Ontario Ministry of Energy and Mine's Municipal Energy Program, with an additional \$50,000 coming from Enbridge.

Through extensive local consultation, the Community Energy Plan will identify opportunities to improve energy efficiency, support demand management, and expand distributed energy resources and local renewable generation. It will also establish a long-term roadmap for reducing energy use and greenhouse gas emissions.

## **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 2025, the Plan has a 54 per cent completion rate. Of the 44 action items, 17 are completed, 12 are progressing, and 15 are upcoming. Five action items were completed in 2025. A mid-plan review took place in 2025, which involved gathering feedback from 143 community members at 11 Niagara Region facilities and 37 Niagara Region employees in six focus groups.

In 2025, the Diversity, Equity, Inclusion, and Indigenous Relations team organized six events in partnership with community organizations. Staff and Councillors were invited to engage with diverse community groups. These included flag ceremonies, awareness events, and a candlelight vigil.

The second year of Diversity, Equity, and Inclusion Training included mandatory e-modules for all staff on Inclusive Interactions. At the end of 2025, 72 per cent of all active staff had completed the Inclusive Interactions e-modules. 89 per cent of People Leaders participated in a one-hour Inclusive Interactions for People Leaders.





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## Red Dress Day Flag Ceremony

### Indigenous Relations

The development of the Niagara Region Indigenous Truth and Reconciliation Action Plan (the Plan) finished in 2025. Local Indigenous leaders and community members helped with its creation. The Plan will be a working guide for Niagara Region staff to work with the local Indigenous community.

In 2025 Niagara Region introduced mandatory cultural training for all staff. The one-hour e-module focused on Indigenous-Colonial Relations. By end of the year, 2,413 staff had completed the training. Emergency Services, Long-Term Care, and leadership teams will receive program specific training. Public Health provided training on Ownership, Control, Access, and Possession (OCAP). This relates to data collection, governance, and sovereignty.

For Orange Shirt Day 2025, Dr. Niigaan Sinclair presented to Niagara Region staff. He shared what reconciliation looks like today. Later that day, Dr. Sinclair presented to community members during the Region's community engagement event held at the Meridian Centre in Pelham.

Niagara Region is working to reduce barriers experienced by members of the Indigenous community. Some programs provided in collaboration with Fort Erie Native Friendship Centre and Niagara Regional Native Centre include the Triple P Parenting Program, the Mobile Health Unit, monthly produce markets, and on-site community vaccination clinics.

### Advocacy

As a two-tier government, the Region is responsible for delivering essential programs and services that touch the lives of residents and businesses. From providing high-quality drinking water and maintaining Regional roads, building housing-enabling infrastructure to unlock new development, delivering homelessness supports, building and managing social housing, to operating long term care homes and administering public health, Regional services support residents throughout every stage of life.

The Governments of Ontario and Canada are important partners in welcoming growth across Niagara. Funding from upper levels of government supports the Region in providing world-class programs, services and amenities, both now and in the future.

In 2025, Regional Council and senior staff undertook several initiatives to strengthen relationships with upper levels of government while advocating for increased partnership for core projects. This included meeting with the Canada Infrastructure Bank and Assistant Deputy Ministers within the federal Ministry of Housing and Infrastructure to explore funding and financing options for the South Niagara Wastewater Solutions project. During Niagara Week at Queen's Park, Council and staff met with nine senior members of Cabinet and six Associate Deputy Ministers, which resulted in immediate next steps for the Region's Consolidated Housing Master Plan, Highly Supportive Housing initiative and two-day, all-day GO expansion.



# 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.

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Niagara Falls.  
Photo by: Tina Embrey,  
Niagara Falls



# 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, 2025.

## 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 \$2.6 billion and is highlighted by the categories in the accompanying chart. Total historical costs are \$4.5 billion, and the total accumulated amortization is \$1.8 billion, implying that 40 per cent of the estimated useful life of Niagara Region’s tangible capital assets have been used in the delivery of programs and services. (See **Figure 11**)

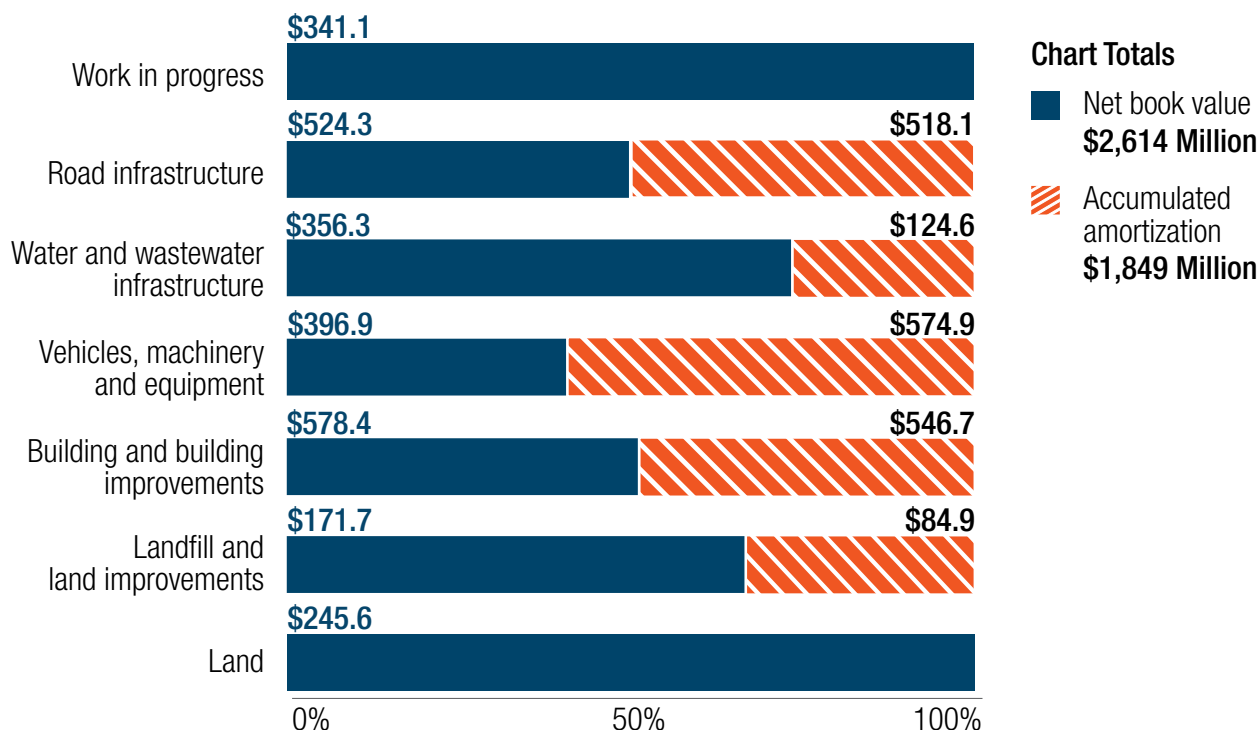
Amortization can be used to estimate future capital spending requirements with the understanding that asset replacement costs will be significantly higher than historical costs.

During the year, Niagara Region acquired \$271 million (2024 - \$213 million) of tangible capital assets. The amortization expense, as reported in the statement of operations, amount to \$133.3 million (2024 - \$120.4 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.

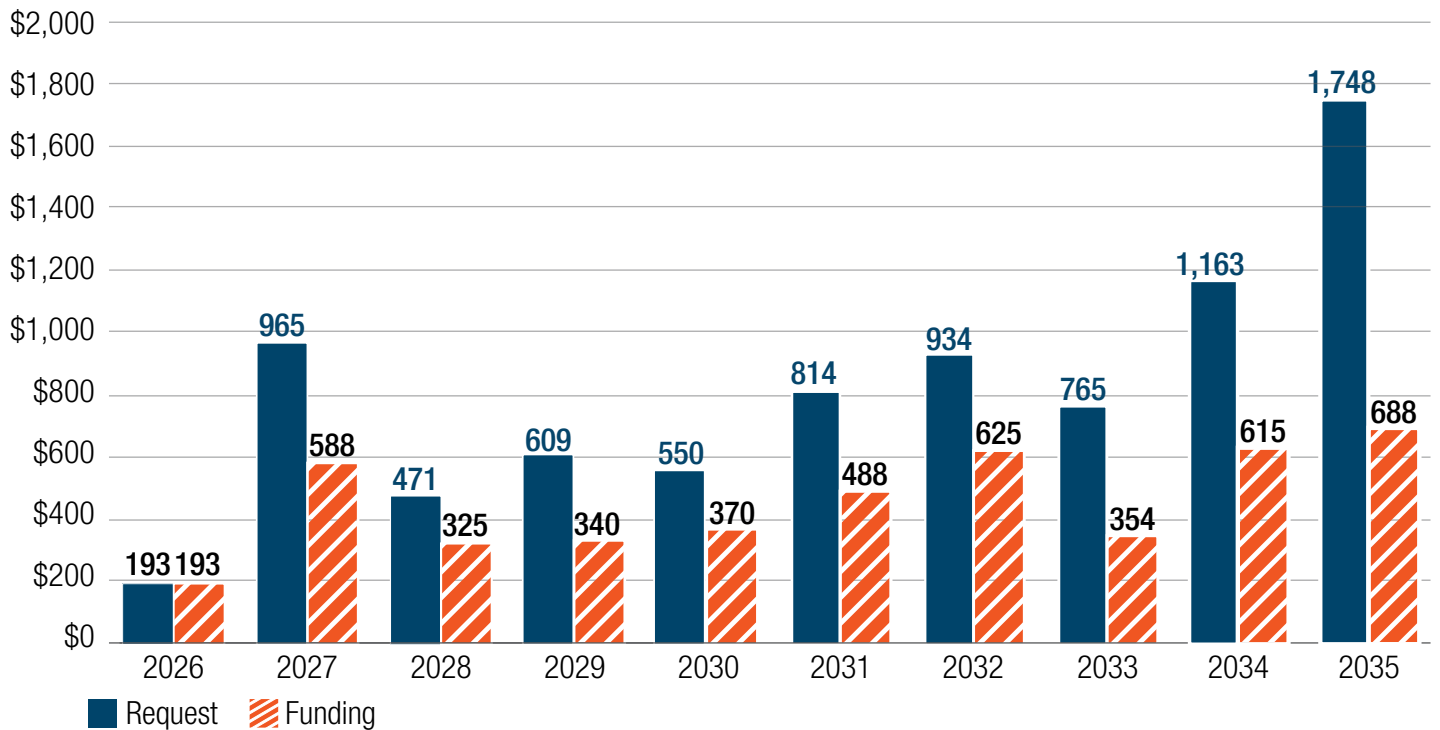
**Total request .....\$8,211 million**

**Total funding .....\$4,585 million**

**Funding gap .....\$3,626 million**

Figure 12 illustrates the deviations between gross capital requests and funding sources available within each year based on projections made during the 2026 budget process.

**Figure 12: Ten Year Capital Ask**  
(In millions of dollars)



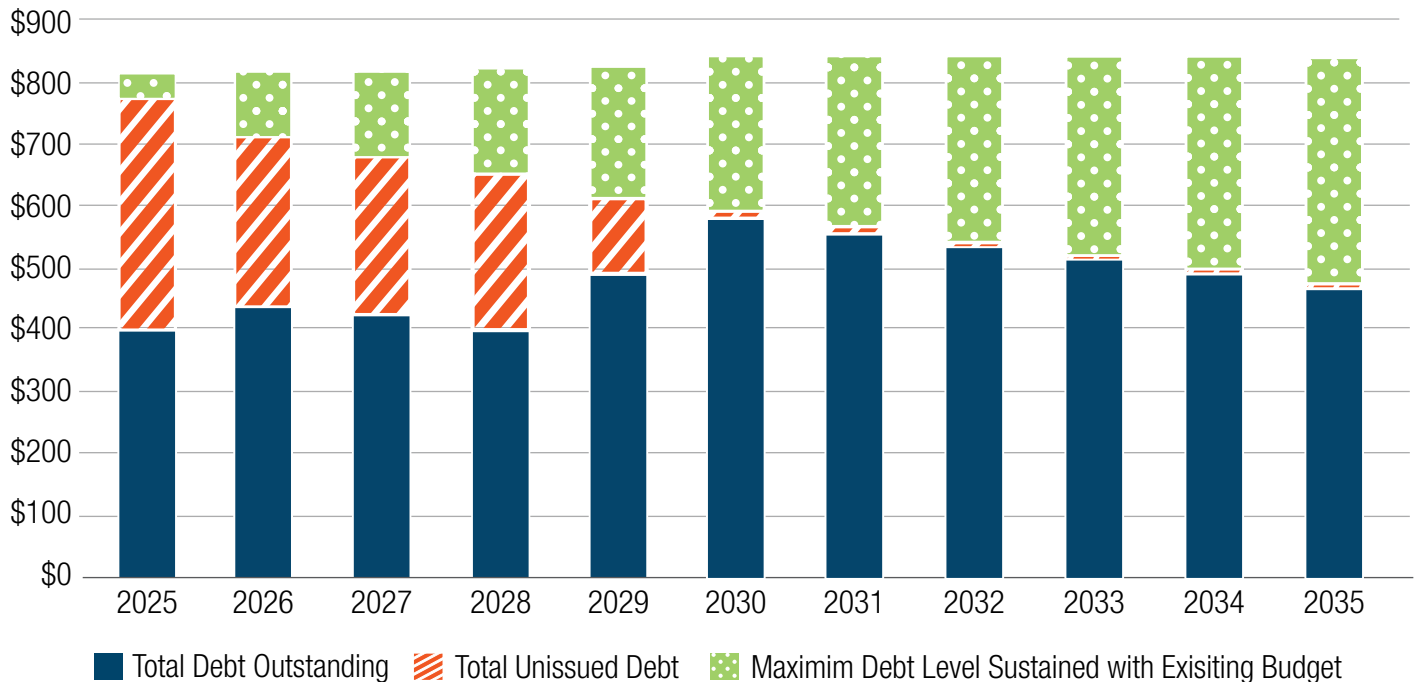
## Debt Position and Long-Term Debt Strategy

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, development charges, 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 ratepayers who benefit from the infrastructure in the future.

**Figure 13** illustrates the Region’s 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.

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



Following this peak, the Region’s debt levels are forecasted to level off, 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 60% increase of the debt burden among Local Area Municipalities over the next five years. As such, starting in 2030, minimal issued 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 ensuring that base budgets adequately fund asset maintenance and state of good repair, and the development of a more sustainable and transparent debt model.



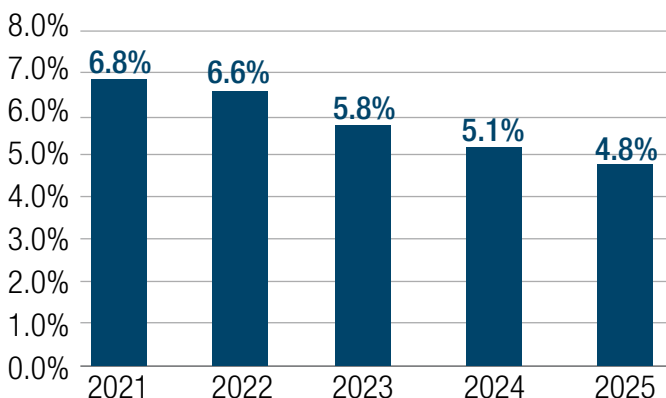
Additionally, establishing guidelines for allocating Infrastructure Ontario debt capacity based on debt terms (20 plus years) and limiting the amount of capital projects with terms greater than 20 years will provide a way to prioritize debt requests when demand exceeds available debt room.

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 its 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 4.8 per cent (2024 – 5.1 per cent) at the end of 2025. (See **Figure 14**)

**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 \$746 million (2024 - \$758 million), which includes \$388 million (2024 - \$365 million) of debt recoverable from others. Debt recoverable from others accounts for 52 per cent of the total debt recorded at the end of 2025 (2024 - 48.2 per cent).

On October 20, 2025, 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.

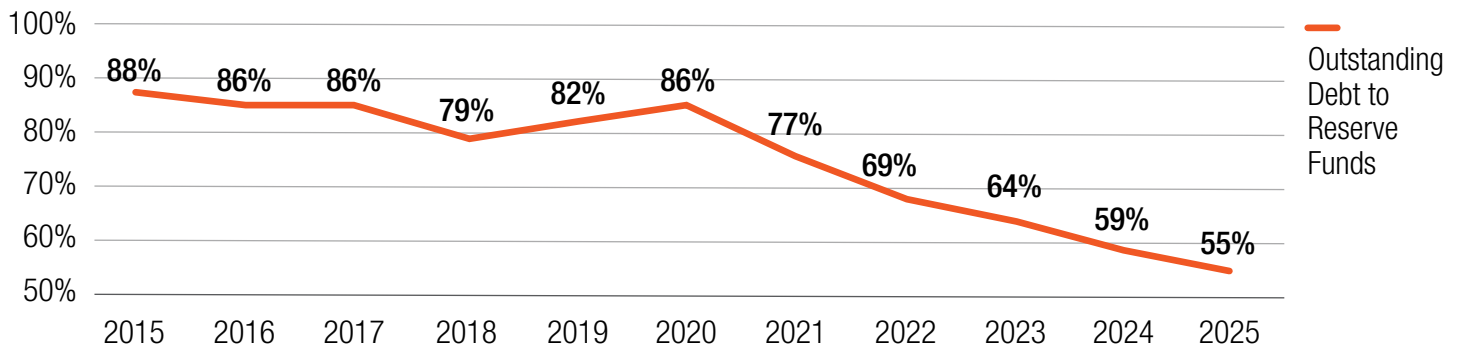
Highlights of the report also note that, while unlikely in the next two years, Niagara Region could receive a stronger rating if the Region demonstrated significant and sustained economic and demographic improvement through healthier growth in population and household incomes, more in line with that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

As a result of the trends identified by S&P, in the 2025 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 2025, Niagara Region’s net debt position decreased from \$147.1 million to \$118.4 million. The Region’s net debt is a result of all the financial activity that occurred in 2025 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, 2025, Niagara Region’s accumulated surplus balance is \$2.5 billion (2024 - \$2.4 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	\$2,480.0	97.4%
Unexpended capital financing	\$82.6	3.2%
Operating fund deficit	\$(7.9)	-0.3%
Reserves	\$267.7	10.5%
Canada Summer Games Park	\$24.1	0.9%
Unfunded liabilities	\$(299.9)	-11.8%
<b>Accumulated Surplus</b>	<b>\$2,546.7</b>	<b>100.0%</b>



## Reserves

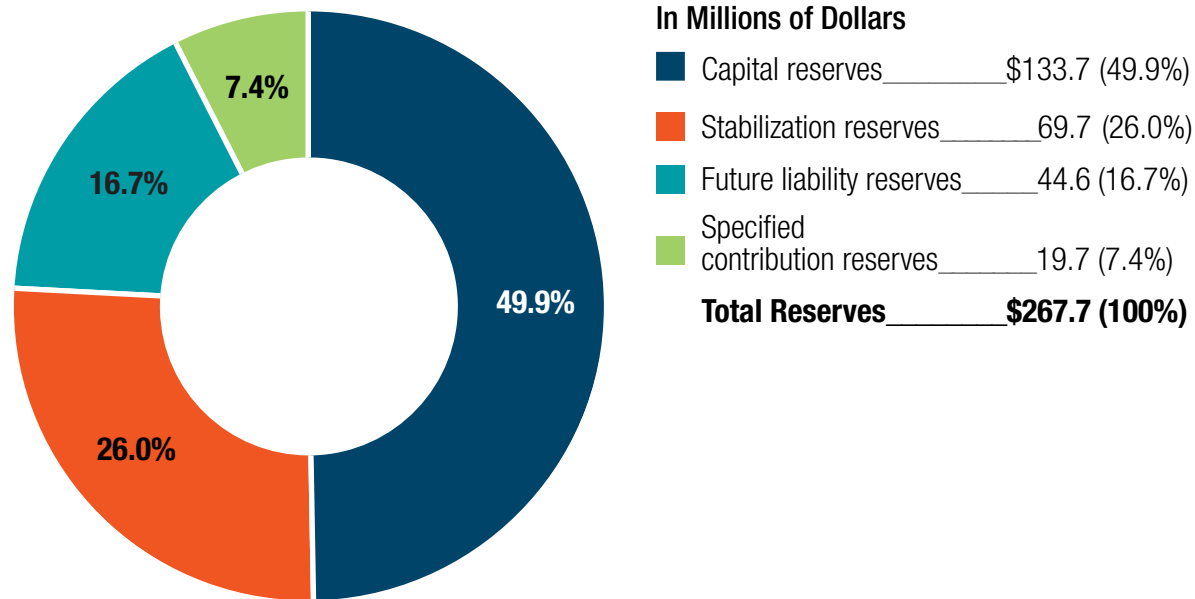
The accumulated surplus figure on the consolidated statement of financial position includes reserve funds. These reserves are managed and funds transferred to/from the funds as per Niagara Region's Reserve and Reserve Fund Policy. Reserves are to be used for specified purposes and are categorized as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

Niagara Region's reserves of \$267.7 million at December 31, 2025 are highlighted in **Figure 17** 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, 2025, 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)

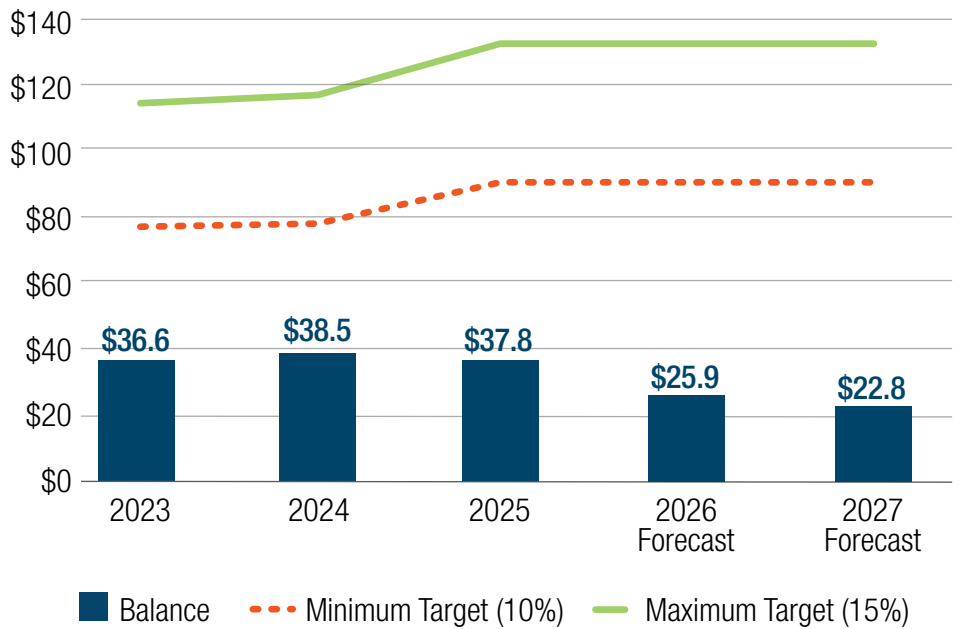


The Taxpayer Relief Stabilization Reserve has seen a slight decrease in balance over the prior year. The balance remains comparable, decreasing from \$38.5 in 2024 to \$37.8 in 2025. In line with the 2025 budget, \$2.0 million was drawn for Council Reverse Draw related to the Tax Mitigation Strategy in 2025. Additionally, \$1.9 million to support EMS funding due to time lag was transferred from the Taxpayer Relief Stabilization Reserve. These draws were offset by the 2025 surplus. The Taxpayer Relief Reserve continues to be below the minimum funding target.

**At December 31, 2025, the Tax Levy Stabilization Reserve is underfunded by a range of \$52.9 to \$98.2 million.**

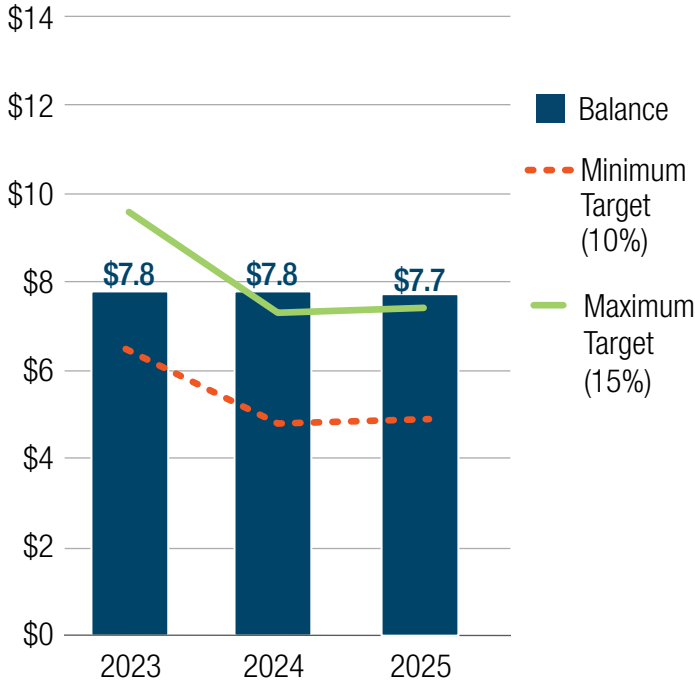
**Figure 18: Tax Levy Stabilization Taxpayer Relief Reserve**

(In millions of dollars)



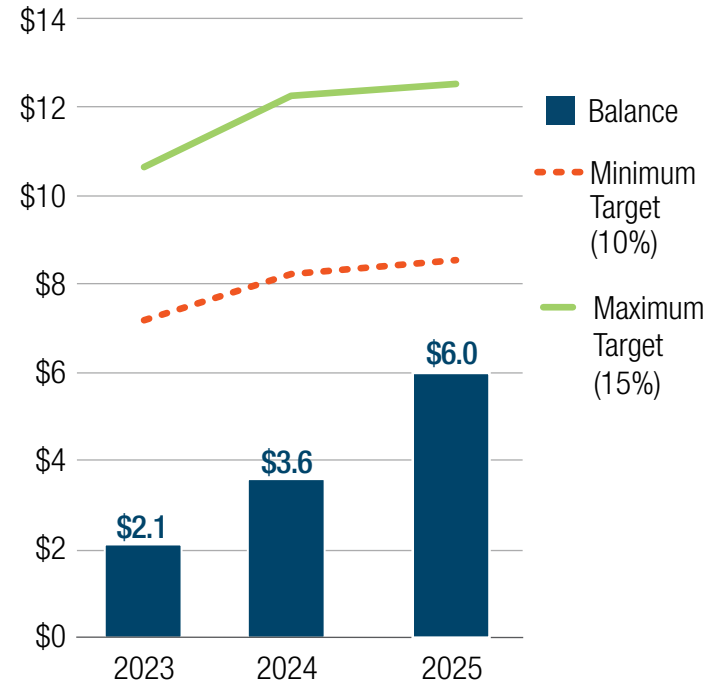
**Figure 19: Waste Management Stabilization Reserve Balances**

(In millions of dollars)



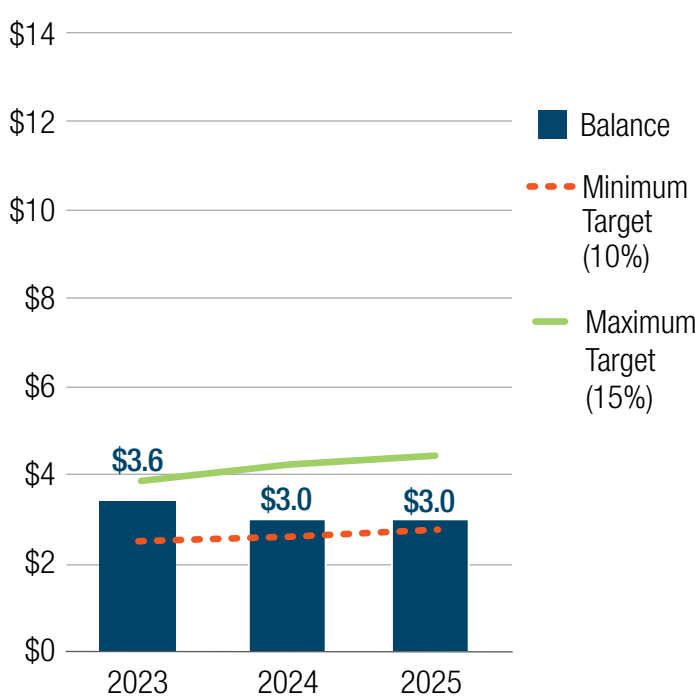
**Figure 20: Transit Stabilization Reserve Balances**

(In millions of dollars)



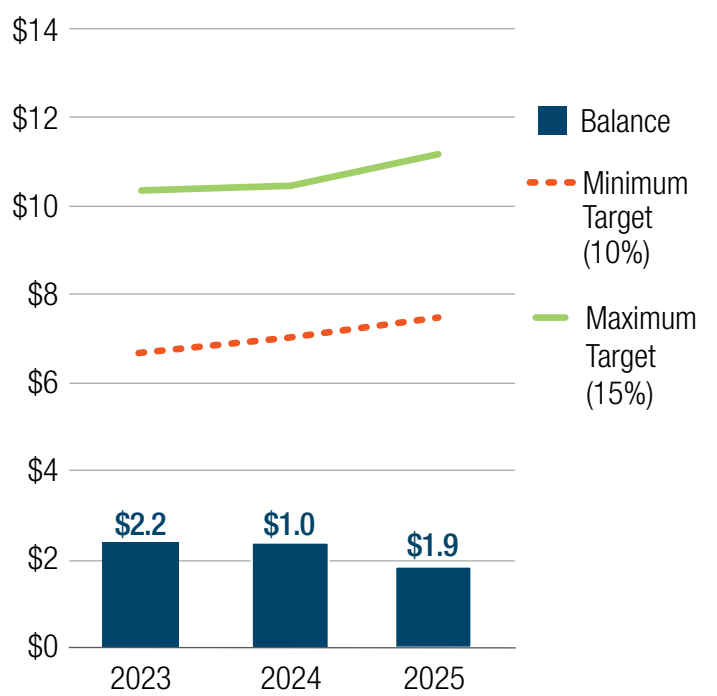
**Figure 21: Water Management Stabilization Reserve Balances**

(In millions of dollars)



**Figure 22: Wastewater Management Stabilization Reserve Balances**

(In millions of dollars)

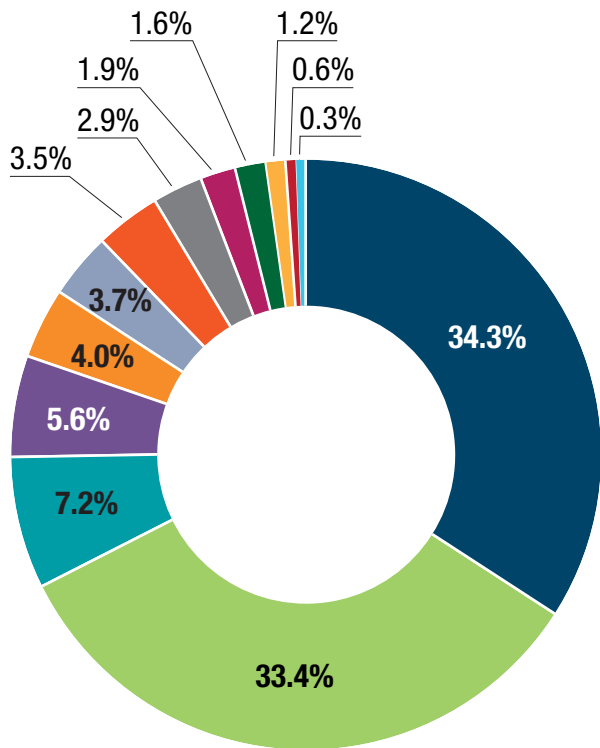


# Consolidated Statement of Operations Highlights

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 \$168.5 million (2024 - \$128.5 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 2024, Niagara Region's total revenues for 2025 reflect a net increase of \$172.6 million. This increase is primarily driven by an increase in Province of Ontario grants, user charges and levies on area municipalities.

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



### In Millions of Dollars

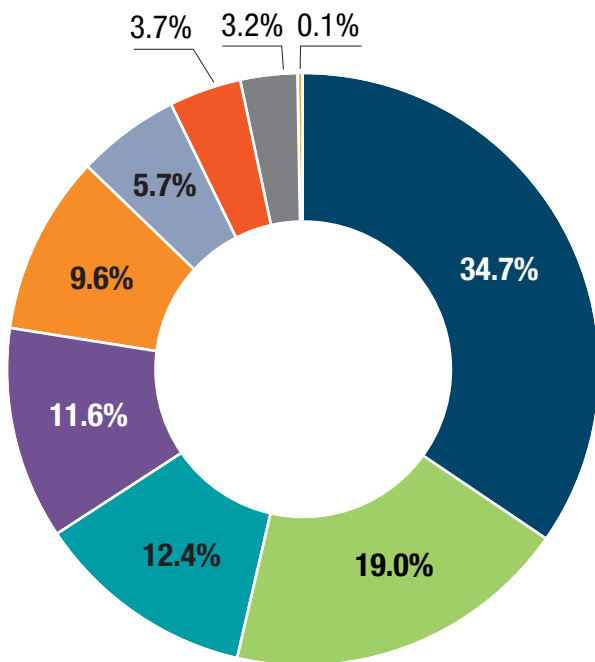
Property taxpayer	\$560.3	(34.3%)
Province of Ontario grants	545.5	(33.4%)
Sewer charges	118.4	(7.2%)
User charges	91.6	(5.6%)
Transit special levy	64.6	(4.0%)
Water charges	60.3	(3.7%)
Government of Canada grants	56.7	(3.5%)
Waste management special levy	46.6	(2.9%)
Development charges	31.0	(1.9%)
Investment income	26.7	(1.6%)
Other	19.1	(1.2%)
Court services fines	9.9	(0.6%)
Contributed tangible capital assets	4.1	(0.3%)
<b>Total</b>	<b>\$163.8 Million</b>	



Compared to 2024, Niagara Region's expenses overall reflect an increase of \$132.6 million. Higher expenses in 2025 related to increased costs experienced in Protection to Persons and Property of \$27.1 million, mainly driven by inflationary pressures in policing. Additionally, higher expenses in social and family services of \$57.1 million were driven by an increased social assistance caseload.

**Figure 24: Expenses by Function**

(In per cent and millions of dollars)



**In Millions of Dollars**

Social and family services	\$509.1	(34.7%)
Protection to persons and property	278.4	(19.0%)
Environmental services	181.1	(12.4%)
Transportation services	169.8	(11.6%)
Health services	140.9	(9.6%)
Social housing	83.1	(5.7%)
General government	54.9	(3.7%)
Planning and development	46.9	(3.2%)
Recreation and cultural services	2.0	(0.1%)
<b>Total</b>	<b>\$1,466.2</b>	<b>Million</b>



# 2025 Approved Budget Compared to Financial Statements

A balanced 2025 operating and capital budget was approved by Regional Council on December 13, 2024.

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: 2025 Approved Budget Compared to Financial Statements**

(In millions)	Approved Budget	2025	2024
<b>Based on budget approach</b>			
Water and Wastewater surplus	\$-	4.9	2.3
Waste Management surplus	-	2.0	3.7
Niagara Transit Commission surplus	-	2.2	1.5
Levy surplus	-	1.7	10.1
<b>Net operating surplus</b>	<b>-</b>	<b>10.8</b>	<b>17.6</b>



## 2025 Approved Budget Compared to Financial Statements (Continued)

(In millions)

	Approved Budget	2025	2024
<b>Capital Public Sector Accounting Standards Adjustments</b>			
Recognize amortization	(133.3)	(133.3)	(120.4)
Recognize accretion	3.1	3.1	2.7
Recognize in-year capital program revenues	93.8	95.0	66.3
Recognize capital fund expenditures resulting in operating expenses	(5.5)	(4.6)	(3.0)
Recognize operating fund expenditures resulting in capital assets	4.7	4.7	2.9
Recognize gain on transfer of tangible capital assets	4.1	4.1	6.6
Recognize loss on disposal of assets	(1.8)	(1.6)	(0.2)
<b>Capital Subtotal</b>	<b>(33.9)</b>	<b>(32.5)</b>	<b>(45.1)</b>
<b>Funded Public Sector Accounting Standards Adjustments</b>			
Remove principal debt repayments	47.7	32.3	31.5
Remove net transfers to reserves (including interest allocation)	140.2	166.0	132.4
Remove sinking fund activity	-	2.2	2.2
<b>Funded Subtotal</b>	<b>187.9</b>	<b>200.5</b>	<b>166.1</b>
<b>Unfunded Public Sector Accounting Standards Adjustments</b>			
Recognize change in landfill liability	-	-	-
Recognize power dams liability	-	0.4	0.4
Recognize change in unfunded employee future benefits liability	(11.0)	(10.7)	(10.3)
Recognize share of Canada Summer Games Park operations	0.0	0.0	(0.3)
<b>Unfunded Subtotal</b>	<b>(11.0)</b>	<b>(10.2)</b>	<b>(10.2)</b>
<b>Annual surplus per Public Sector Accounting Standards consolidated financial statements</b>	<b>143.0</b>	<b>168.5</b>	<b>128.4</b>



## Audit Committee

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

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

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

Niagara Region has been consistently making improvements to the financial reports within the new system implemented in 2016, which has enhanced decision making and the financial reporting environment.

## Conclusion

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Providing service to 551,128 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.



**Tim Ellis**  
Commissioner of Corporate Services/Treasurer  
June 2026



# Financial Statement

Lakeside Park in Port  
Dalhousie, St. Catharines  
Photo by: Ingrid Lehoczky,  
St. Catharines



# The Regional Municipality of Niagara

## Management's Responsibility for the Consolidated Financial Statements

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

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

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

The consolidated financial statements have been audited by 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.

### **Tim Ellis**

Commissioner of Corporate Services/Treasurer

June 1, 2026



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## 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 Entity), which comprise:

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

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

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

### ***Basis for Opinion***

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

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

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



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

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

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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



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

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 1, 2026

# The Regional Municipality of Niagara

## Consolidated Statement of Financial Position

As at December 31, 2025 (In thousands of dollars)

<b>Financial Assets</b>	<b>2025</b>	<b>2024</b>
Cash	\$ 184,087	\$ 157,703
Investments (note 2)	910,712	910,922
Accounts receivable (note 3)	193,176	138,902
Other assets	1,431	727
Debt recoverable from others (note 8(d))	388,400	365,485
	<b>1,677,806</b>	<b>1,573,739</b>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	264,076	207,360
Employee future benefits and post-employment liabilities (note 4)	162,023	151,355
Deferred revenue (note 5)	480,903	456,306
Asset retirement obligations (note 6)	135,826	140,275
Contaminated sites liability (note 7)	3,563	3,563
Long-term liabilities (note 8)	745,862	757,934
Capital lease obligation (note 9)	3,951	4,018
	<b>1,796,204</b>	<b>1,720,811</b>
<b>Net debt</b>	<b>(118,398)</b>	<b>(147,072)</b>
<b>Non-financial Assets</b>		
Tangible capital assets (note 10)	2,614,398	2,480,258
Inventory	12,925	12,928
Prepaid expenses	36,027	30,494
Other investment	1,750	1,575
	<b>2,665,100</b>	<b>2,525,255</b>
Accumulated surplus (note 11)	\$ 2,546,702	\$ 2,378,183

Commitments (note 13)

Contingent liabilities (note 14)

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, 2025 (In thousands of dollars)

Revenues (Note 18)	2025 Budget	2025 Actual	2024 Actual
<b>Taxation and user charges:</b>	(note 19)		
Levies on area municipalities	\$ 667,762	\$ 671,489	\$ 609,064
User charges	264,742	270,308	245,793
	<b>932,504</b>	<b>941,797</b>	854,857
<b>Government transfers (note 17):</b>			
Government of Canada	57,797	56,700	42,121
Province of Ontario	586,368	545,461	473,148
Other municipalities	1,770	1,548	1,038
	<b>645,935</b>	<b>603,709</b>	516,307
<b>Other:</b>			
Development charges earned	37,038	30,953	35,602
Investment income	20,955	26,731	14,481
Provincial offences	12,996	9,876	11,791
Contributed tangible capital assets	4,133	4,133	6,633
Miscellaneous	15,334	17,574	22,490
	<b>90,456</b>	<b>89,267</b>	90,997
<b>Total revenues</b>	<b>1,668,895</b>	<b>1,634,773</b>	1,462,161
<b>Expenses (Note 18)</b>			
General government	60,690	54,949	31,158
Protection to persons and property	280,452	278,435	251,378
Transportation services	173,265	169,768	159,784
Environmental services	196,127	181,115	169,979
Health services	144,455	140,882	138,094
Social and family services	536,883	509,066	452,008
Social housing	86,334	83,138	81,105
Recreation services	1,971	1,981	2,194
Planning and development	45,695	46,920	47,983
<b>Total expenses</b>	<b>1,525,872</b>	<b>1,466,254</b>	1,333,683
Annual surplus	143,023	168,519	128,478
Accumulated surplus, beginning of year	2,378,183	2,378,183	2,249,705
<b>Accumulated surplus, end of year</b>	<b>\$ 2,521,206</b>	<b>\$ 2,546,702</b>	\$ 2,378,183

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, 2025 (In thousands of dollars)

	2025 Budget	2025 Actual	2024 Actual
<b>Annual surplus</b>	<b>\$ 143,023</b>	<b>\$ 168,519</b>	\$ 128,478
Acquisition of tangible capital assets	(265,816)	(266,726)	(197,857)
Contributed tangible capital assets	(4,133)	(4,133)	(6,633)
Amortization of tangible capital assets	133,312	133,312	120,387
Loss on disposal/(Gain on sale) of tangible capital assets	(1,896)	(1,896)	111
Net proceeds on sale of tangible capital assets	5,303	5,303	75
Change in inventory	-	3	774
Change in prepaid expenses	-	(5,533)	(3,646)
Change in other investment	-	(175)	(700)
Change in net debt	8,883	28,674	40,989
Net debt, beginning of year	(147,072)	(147,072)	(188,061)
<b>Net debt, end of year</b>	<b>\$ (138,189)</b>	<b>\$ (118,398)</b>	\$ (147,072)

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, 2025 (In thousands of dollars)

Operating Activities	2025	2024
Annual surplus	\$ 168,519	\$ 128,478
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	133,312	120,387
Loss on disposal/Gain on sale) of tangible capital assets	(1,896)	111
Contributed tangible capital assets	(4,133)	(6,633)
Abatement of asset retirement obligation	(3,149)	(2,670)
Change in employee future benefits and post-employment liabilities	10,668	10,360
Change in asset retirement obligations	(1,300)	(8,165)
Change in contaminated sites liability	-	2,987
Change in non-cash assets and liabilities (note 20)	20,805	43,529
<b>Net change in cash from operating activities</b>	<b>322,826</b>	<b>288,384</b>
Capital Activities		
Net proceeds on sale of tangible capital assets	5,303	75
Acquisition of tangible capital assets	(266,726)	(197,857)
<b>Net change in cash used in capital activities</b>	<b>(261,423)</b>	<b>(197,782)</b>
Investing Activities		
Proceeds from disposals and redemptions of investments	93,419	227,188
Purchase of investments	(93,384)	(293,368)
<b>Net change in cash from (used in) investing activities</b>	<b>35</b>	<b>(66,180)</b>
Financing Activities		
Capital lease payments	(67)	(64)
Proceeds on long-term liabilities issued and assumed	-	60,299
Repayments of long-term liabilities	(32,282)	(31,450)
Increase in sinking fund assets	(2,705)	(2,670)
<b>Net change in cash from (used in) financing activities</b>	<b>(35,054)</b>	<b>26,115</b>
<b>Net change in cash</b>	<b>26,384</b>	<b>50,537</b>
<b>Cash, beginning of year</b>	<b>157,703</b>	<b>107,166</b>
<b>Cash, end of year</b>	<b>\$ 184,087</b>	<b>\$ 157,703</b>

# The Regional Municipality of Niagara

## Consolidated Statement of Cash Flows (continued)

For the year ended December 31, 2025 (In thousands of dollars)

	2025	2024
Cash paid for interest	\$ 14,938	\$ 13,213
Cash received from interest	22,367	9,263
<b>Investing and financing activities on behalf of others:</b>		
Debt issued on behalf of others	57,811	57,000
Repayment made on behalf of others	34,896	34,806

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, 2025 (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.

- ##### 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: their related operations administered by the Region are not included in these consolidated financial statements.

# The Regional Municipality of Niagara

## 1. Significant accounting policies (continued):

- b) **Basis of accounting:** The Region follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.
- c) **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:** 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	3 – 20
Machinery and equipment	3 – 60
Water and wastewater infrastructure	25 – 100
Roads infrastructure: Base	40
Roads infrastructure: Bridge and culvert	60
Roads infrastructure: Surface	10
Roads infrastructure: Other infrastructure	5 - 40

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

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

- ii. **Contributions of tangible capital assets:** Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.
- iii. **Intangible assets:** Intangible assets and natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

# The Regional Municipality of Niagara

## 1. Significant accounting policies (continued):

- 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: 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: 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:** 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.
- f) **Deferred revenue:** 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 reasonable estimated.
- h) **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 form part of the deferred development charge and gas tax balances.

# The Regional Municipality of Niagara

## 1. Significant accounting policies (continued):

- 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 \$22,089 (2024 - \$20,283) and is not reflected in these consolidated financial statements.
- 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

## 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.

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.

# The Regional Municipality of Niagara

## 1. Significant accounting policies (continued):

- 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

2. **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:

	Cost	2025 Market Value	Cost	2024 Market Value
Schedule I Canadian Banks	\$ 455,757	\$ 462,572	\$ 461,148	\$ 462,145
Credit Union	5,000	5,000	-	-
Canadian Municipalities	96,545	95,595	97,093	95,450
Provincial Governments	348,467	339,374	347,744	334,963
Federal Governments	4,943	4,994	4,937	4,971
<b>Investments</b>	<b>\$ 910,712</b>	<b>\$ 907,535</b>	<b>\$ 910,922</b>	<b>\$ 897,529</b>

The Region has purchased \$3,378 (2024 - \$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 \$16,947 (2024 - \$19,492). 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.

3. **Accounts receivable:** are reported net of a valuation allowance of \$1,435 (2024 - \$1,061).
4. **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.

	2025	2024
Workplace Safety & Insurance Board	\$ 85,968	\$ 78,353
Accumulated Sick Leave	5,443	6,434
Retiree benefits	51,669	48,006
Vacation pay	12,144	12,683
Other post-employment liabilities	6,799	5,879
<b>Total employee future benefits and post-employment liabilities</b>	<b>\$ 162,023</b>	<b>\$ 151,355</b>

# The Regional Municipality of Niagara

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

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

	2025	2024
Niagara Regional Police Services	\$ 83,746	\$ 77,319
Niagara Transit Commission	3,110	2,372
Niagara Region	75,167	71,664
<b>Total</b>	<b>\$ 162,023</b>	<b>\$ 151,355</b>

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 (note 11). Reserves relating to these liabilities are summarized by entity below:

	2025	2024
Niagara Regional Police Services	\$ 8,732	\$ 8,652
Niagara Transit Commission	501	489
Niagara Region	24,204	24,454
<b>Total</b>	<b>\$ 33,437</b>	<b>\$ 33,595</b>

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

### 2025

	Niagara Regional Police	Niagara Transit Commission	Niagara Region	Total
<b>Accrued benefit obligation:</b>				
Balance, beginning of year	\$ 86,884	\$ 2,372	\$ 84,577	\$ 173,833
Current benefit cost	8,529	1,057	7,330	16,916
Increase due to plan amend.	1,289	-	-	1,289
Interest	3,697	123	2,671	6,491
Actuarial loss (gain)	7,282	344	(5,254)	2,372
Benefits paid	(8,889)	(465)	(8,265)	(17,619)
<b>Net</b>	<b>98,792</b>	<b>3,431</b>	<b>81,059</b>	<b>183,282</b>
Unamortized actuarial loss	(15,046)	(321)	(5,892)	(21,259)
<b>Liability</b>	<b>\$ 83,746</b>	<b>\$ 3,110</b>	<b>\$ 75,167</b>	<b>\$ 162,023</b>

# The Regional Municipality of Niagara

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

**2024**

	Niagara Regional Police	Niagara Transit Commission	Niagara Region	Total
<b>Accrued benefit obligation:</b>				
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

# The Regional Municipality of Niagara

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

Included in expenses is \$3,567 (2024 - \$3,145) 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

**Workplace Safety & Insurance Board (WSIB):** 7 – 10 years

The most recent actuarial valuation was completed as at December 31, 2025.

### **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, 2025 and the expense for the year ended December 31, 2025, were determined using a discount rate of 4.00% (2024 – 3.00%).

**Administration costs:** were assumed to be 19% (2024 – 27%) of the compensation expense.

**Compensation expense:** include loss of earnings benefits, health care costs and non-economic loss awards, were assumed to increase at a rate of 2.00% per annum (2024 – 1.25%).

### **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, 2025, of the present value of future liabilities and the expense for the year ended December 31, 2025, were determined using a discount rate of 4.25% (2024 – 3.25%).

# The Regional Municipality of Niagara

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

### Retiree benefits

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

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

### Discount rate

The obligation as at December 31, 2025, of the present value of future liabilities and the expense for the year ended December 31, 2025, were determined using a discount rate of 4.25% (2024 - 3.25%).

### Medical costs

Medical costs were assumed to increase at the rate of 3.67% (2024 – 3.42%) per year, reducing to 3.00% in 2028 and thereafter.

### Dental costs

Dental costs were assumed to increase at the rate of 3.00% (2024 – 2.75%) per year.

### Inflation

Inflation was assumed to be 2.00% (2024 – 1.75%) per year.

### Other pension plans

The Region makes contributions to the Ontario Municipal Employees Retirement Fund (“OMERS”), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Region accounts for its participation in OMERS as a defined contribution plan. The OMERS Plan ended 2025 with a funding deficit of \$1.3 billion (2024 - \$2.9 billion). The funded ratio increased to 99% in 2025 (2024 – 98%). 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 2025 was \$46,122 (2024 - \$39,767) for current service and is included as an expense on the consolidated statement of operations. Employees’ contribution to OMERS in 2025 were \$46,089 (2024 - \$39,735).

Contributions for employees with a normal retirement age of 65 were being made at rate of 9.0% (2024 – 9.0%) for earnings up to the yearly maximum pensionable earnings of \$74.6 (2024 - \$68.5) and at a rate of 14.6% (2024 – 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% (2024 - 9.2%) and 15.8% (2024 - 15.8%) respectively.

# The Regional Municipality of Niagara

- 5. 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 deferred revenues, reported on the consolidated statement of financial position, are comprised of the following:

	2025	2024
Development charges	\$ 377,541	\$ 344,665
Gas tax	59,011	67,889
	<b>436,552</b>	412,554
Investing in Ontario Grant	10,617	10,617
Other deferred revenue	33,734	33,135
Balance, end of year	<b>\$ 480,903</b>	\$ 456,306

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

### Development charges:

	2025	2024
Balance, beginning of year	\$ 344,665	\$ 272,981
Externally restricted inflows	55,476	96,479
Revenue earned	(31,465)	(37,357)
Investment income	8,865	12,562
Balance, end of year	<b>\$ 377,541</b>	\$ 344,665

# The Regional Municipality of Niagara

## 5. Deferred Revenue (continued):

### Gas tax:

	2025	2024
Balance, beginning of year	\$ 67,889	\$ 62,991
Externally restricted inflows	24,224	20,382
Revenue earned	(34,650)	(18,488)
Investment income	1,548	3,004
Balance, end of year	\$ 59,011	\$ 67,889

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

	2025	2024
Asbestos	\$ 5,449	\$ 5,955
Landfills	127,457	131,142
Leases	2,920	3,178
Balance, end of year	\$ 135,826	\$ 140,275

### 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 2026 and 2068 of \$7,954. The estimated total liability of \$5,449 (2024 - \$5,955) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.25% (2024 - 4.25%) and assuming annual inflation of 2.00% (2024 - 2.00%). The Region has not designated funds for settling the abatement activities.

Asbestos	2025	2024
Balance, beginning of year	\$ 5,955	\$ 7,480
Adjustment for updated assumptions	(147)	(1,691)
Adjustment for remediation completed	(601)	-
Accretion expense	242	166
Balance, end of year	\$ 5,449	\$ 5,955

# The Regional Municipality of Niagara

## 6. Asset Retirement Obligations (continued):

### Landfills:

The Region owns and monitors 14 landfill sites, two of which are open and operating. The liability for 2025 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 2025 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 2026 and 2236 of \$2,275,603. The estimated total liability of \$127,457 (2024 - \$131,143) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.25% (2024 - 4.25%) and assuming annual inflation of 2.00% (2024 - 2.00%). 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, 2025 the reserve balance is \$8,901 (2024 - \$4,116).

Landfill Obligation	2025	2024
Balance, beginning of year	\$ 131,142	\$ 140,432
Adjustment for updated assumptions	-	(6,444)
Accretion expense	(3,685)	(2,846)
Balance, end of year	\$ 127,457	\$ 131,142

# The Regional Municipality of Niagara

## 6. 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 \$3,129. The estimated total liability of \$2,920 (2024 - \$3,178) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.25% (2024 - 4.25%) and assuming annual inflation of 2.00% (2024 - 2.00%). The Region has not designated funds for settling the abatement activities.

Lease	2025	2024
Balance, beginning of year	\$ 3,178	\$ 3,198
Adjustment for updated assumptions	(379)	(30)
Accretion expense	121	10
Balance, end of year	\$ 2,920	\$ 3,178

7. **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, 2025, the Region has recognized a liability for a contaminated site of \$3,563 (2024 - \$3,563) 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 has been completed in 2025 and the remediation is planned to occur in 2028 or later and is subject to Council approval.

### 8. 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 Regional Municipality of Niagara

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

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

	2025	2024
Long-term liabilities incurred by the Region	\$ 776,824	\$ 786,191
Less: Sinking fund assets	(30,962)	(28,257)
Long-term debt	\$ 745,862	\$ 757,934
Debt recoverable from others net of sinking fund assets (long-term liabilities incurred by the Region for which other entities have assumed responsibility)	(388,400)	(365,485)
Net long-term debt, end of year	\$ 357,462	\$ 392,449

- b) The long-term liabilities in (a) issued in the name of the Region have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs.
- c) The Region issued sinking fund debentures of \$78,079 payable on June 30, 2040 and bearing interest at the rate of 5.2% per annum. The sinking fund debentures are included in long-term liabilities in (a) and include \$9,333 borrowed on behalf of the City of St. Catharines and shown as debt recoverable from others. The City of St. Catharines share of the sinking fund assets have been removed from the debt recoverable from others in (a). Annual principal payments into the sinking fund of \$1,512 are due June 30 of each year. These payments are reflected as principal repayments in (e).
- d) 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, 2025 is \$388,400 (2024 - \$365,485) and is reported on the consolidated statement of financial position as debt recoverable from others.
- e) Principal payments to be funded by the Region, including sinking fund payments, due in each of the next five years are as follows:

	2025
2026	\$ 28,152
2027	25,190
2028	23,863
2029	22,306
2030	18,764
Thereafter	239,187
Net long-term liabilities, end of year	\$ 357,462

# The Regional Municipality of Niagara

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

Total interest on net long-term liabilities which are reported on the consolidated statement of operations amounted to \$14,582 in 2025 (2024 - \$13,516). 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.

- 9. 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:

	2025
2026	\$ 216
2027	216
2028	216
2029	382
2030	238
Thereafter	4,741
Total minimum lease payments	\$ 6,009
Less: amount representing implicit interest at 3.75%	(2,058)
Capital lease obligation	\$ 3,951

In 2025, interest of \$150 (2024 - \$152) 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, 2025 is \$6,379 (Land - \$800, Building - \$5,579) and accumulated amortization of leased tangible capital assets at December 31, 2025 is \$907 (2024 - \$767). Amortization of the building is calculated using the straight-line method for a period of 40 years.

# The Regional Municipality of Niagara

## 10. Tangible capital assets: 2025

	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Work in progress	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 245,967	\$ 220,937	\$ 1,102,747	\$ 885,514	\$ 461,490	\$ 987,007	\$ 308,846	\$ 4,212,508
Additions/transfers	816	36,685	28,999	97,705	19,441	55,352	32,251	271,249
Asset retirement obligations	-	(405)	(271)	(23)	-	-	-	(699)
Disposals	(1,163)	(623)	(6,311)	(11,338)	-	-	-	(19,435)
<b>Balance, end of year</b>	<b>245,620</b>	<b>256,594</b>	<b>1,125,164</b>	<b>971,858</b>	<b>480,931</b>	<b>1,042,359</b>	<b>341,097</b>	<b>4,463,623</b>
<b>Accumulated Amortization:</b>								
Balance, beginning of year	-	77,394	514,728	536,330	117,636	486,162	-	1,732,250
Disposals	-	(613)	(5,759)	(9,965)	-	-	-	(16,337)
Amortization expense	-	8,117	37,735	48,561	7,006	31,893	-	133,312
<b>Balance, end of year</b>	<b>-</b>	<b>84,898</b>	<b>546,704</b>	<b>574,926</b>	<b>124,642</b>	<b>518,055</b>	<b>-</b>	<b>1,849,225</b>
<b>Net Book Value, end of year</b>	<b>\$ 245,620</b>	<b>\$ 171,696</b>	<b>\$ 578,460</b>	<b>\$ 396,932</b>	<b>\$ 356,289</b>	<b>\$ 524,304</b>	<b>\$ 341,097</b>	<b>\$ 2,614,398</b>

# The Regional Municipality of Niagara

## 10. Tangible capital assets (continued): 2024

	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Work in progress	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 244,828	\$ 197,884	\$ 989,810	\$ 818,484	\$ 429,888	\$ 936,445	\$ 395,228	4,012,567
Additions/transfers	1,139	29,507	114,695	71,498	31,602	50,562	(86,382)	212,621
Asset retirement obligations	-	(6,454)	(1,708)	(3)	-	-	-	(8,165)
Disposals	-	-	(50)	(4,465)	-	-	-	(4,515)
<b>Balance, end of year</b>	<b>245,967</b>	<b>220,937</b>	<b>1,102,747</b>	<b>885,514</b>	<b>461,490</b>	<b>987,007</b>	<b>308,846</b>	<b>4,212,508</b>
<b>Accumulated Amortization:</b>								
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
<b>Balance, end of year</b>	<b>-</b>	<b>77,394</b>	<b>514,728</b>	<b>536,330</b>	<b>117,636</b>	<b>486,162</b>	<b>-</b>	<b>1,732,250</b>
<b>Net Book Value, end of year</b>	<b>\$ 245,967</b>	<b>\$ 143,543</b>	<b>\$ 588,018</b>	<b>\$ 349,184</b>	<b>\$ 343,854</b>	<b>\$ 500,845</b>	<b>\$ 308,846</b>	<b>2,480,258</b>

# The Regional Municipality of Niagara

## 10. Tangible capital assets (continued):

- a) **Work in progress:** of \$341,097 (2024 - \$308,846) has not been amortized. Amortization of these assets will commence when the asset is put into service.
- b) **Contributed tangible 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 \$4,133 (2024 -\$6,633).
- 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 (2024 – \$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 \$1,310 (2024 - \$400)

# The Regional Municipality of Niagara

## 11. Accumulated Surplus:

Accumulated surplus consists of balances as follows:

	2025	2024
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 2,480,004	\$ 2,083,791
Capital fund – unexpended capital financing	82,583	308,908
Operating fund	(7,867)	(9,657)
Canada summer games park	24,129	24,281
<b>Unfunded:</b>		
Asset retirement obligations	(135,826)	(140,275)
Contaminated sites	(3,563)	(3,563)
Employee future benefits and post-employment liabilities	(160,463)	(149,843)
<b>Total surplus</b>	<b>2,278,997</b>	<b>2,113,642</b>
<b>Reserves Set Aside by Council:</b>		
Circle route initiatives	1,133	1,133
Hospital contribution	6,680	14,965
Employee benefits	33,437	33,595
Encumbrances	11,422	11,851
General capital levy	19,371	17,405
Niagara Regional Housing	12,657	11,706
Court Services facilities renewal	4,501	4,301
Public liability self-insurance	2,270	2,270
Taxpayer relief reserve	37,775	38,537
Waste management	41,165	38,269
Wastewater	36,924	27,659
Water	38,426	48,447
Landfill liability	8,900	4,116
Niagara Transit Commission	9,532	5,258
Other reserves	3,512	5,029
<b>Total reserves</b>	<b>267,705</b>	<b>264,541</b>
<b>Total accumulated surplus</b>	<b>\$ 2,546,702</b>	<b>\$ 2,378,183</b>

**12. Trust funds:** Trust funds administered by the Region amounting to \$1,158 (2024 - \$1,212) 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.

## 13. Commitments:

- The Region has outstanding contractual obligations of approximately \$392,216 (2024 -\$418,755) for capital projects. These costs include holdbacks. The holdbacks related to work completed as of December 31, 2025 have been accrued. Regional council has authorized the financing of these obligations.

# The Regional Municipality of Niagara

## 13. Commitments (continued):

- 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 \$349 (2024 - \$702). Annual payments of \$191 (2024 - \$397) 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

	2025
2026	\$ 2,536
2027	2,362
2028	2,365
2029	516
2030	386
Thereafter	74
	<b>\$8,239</b>

- e. The Region has agreed to administer a capital fund on behalf of the Canada Games Park Consortium agreement. At December 31, 2025 funds of \$5,031 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.

## The Regional Municipality of Niagara

- 14. Contingent liabilities:** At December 31, 2025, 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 \$2,925 (2024 - \$2,654) has been made for those claims not expected to be covered by insurance.
- 15. 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, 2025 amount to \$2,270 (2024 - \$2,270) (note 11) and is reported on the consolidated statement of financial position under accumulated surplus. An amount of \$nil (2024- \$nil) has been transferred from this reserve fund in the current year. Recoveries applied against operations in the current year amounted to \$2,344 (Payments charged 2024 - \$(4,698)).
- 16. 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 \$32,636 (2024 -\$29,644).

# The Regional Municipality of Niagara

**17. Government transfers:** The government transfers reported on the consolidated statement of operations are as follows:

Revenue	Budget	2025	2024
<b>Government of Canada:</b>			
General government	\$ 480	-	\$ 140
Transportation services	33,486	33,446	16,647
Environmental services	6,078	6,078	786
Health services	624	494	-
Social and family services	8,837	8,432	9,379
Social housing	8,099	8,099	14,991
Planning and development	193	151	178
	<b>57,797</b>	<b>56,700</b>	<b>42,121</b>
<b>Province of Ontario:</b>			
General government	6,649	5,231	790
Protection to persons and property	11,026	11,143	14,328
Transportation services	16,419	15,104	3,237
Environmental services	2,679	2,679	982
Health services	83,070	83,634	84,112
Social and family services	453,183	416,064	361,346
Social housing	13,342	11,606	8,353
	<b>586,368</b>	<b>545,461</b>	<b>473,148</b>
<b>Other municipalities:</b>			
General government	620	377	392
Protection to persons and property	367	383	322
Transportation services	484	484	-
Environmental services	-	6	28
Recreation services	298	298	246
Planning and development	-	-	50
	<b>1,770</b>	<b>1,548</b>	<b>1,038</b>
<b>Total revenues</b>	<b>\$ 645,935</b>	<b>\$ 603,709</b>	<b>\$ 516,307</b>

**18. 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:

- a. **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.

# The Regional Municipality of Niagara

## 18. Segmented information (continued):

- b. **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.
- c. **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.
- d. **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.
- e. **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.
- f. **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.
- g. **Social housing:** is responsible for providing and advocating for secure, affordable housing in the Region.
- h. **Recreation Services:** The amounts reported reflect the Region’s participation in the consortium for the operations of Canada Summer Games Park
- i. **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.

# The Regional Municipality of Niagara

## 18. Segmented information (continued):

Certain allocation methodologies are employed in the preparation of segmented information. Taxation and payments-in-lieu of taxes are not allocated and reported in general government and environmental services. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received are allocated to the segment for which the charge was collected. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

# The Regional Municipality of Niagara

2025

	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
<b>Revenues:</b>										
Levies on area municipalities	\$ 560,257	-	\$ 64,619	\$ 46,613	-	-	-	-	-	\$ 671,489
User charges	1,177	8,880	24,482	184,013	1,000	28,947	20,429	535	845	270,308
Government transfers	5,610	11,526	49,034	8,762	84,128	424,495	19,705	298	151	603,709
Development charges earned	2,076	687	4,522	23,689	509	-	(530)	-	-	30,953
Investment income	26,406	-	-	-	-	-	325	-	-	26,731
Provincial offenses	-	9,876	-	-	-	-	-	-	-	9,876
Miscellaneous	6,943	1,978	3,417	6,105	610	1,205	1,370	79	-	21,707
<b>Total revenues</b>	<b>602,469</b>	<b>32,947</b>	<b>146,074</b>	<b>269,182</b>	<b>86,247</b>	<b>454,647</b>	<b>41,299</b>	<b>912</b>	<b>996</b>	<b>1,634,773</b>
<b>Expenses:</b>										
Salaries, wages and employee benefits	10,665	228,876	71,704	41,292	116,059	178,455	8,156	367	5,338	660,912
Operating expenses	15,096	26,212	50,922	98,742	20,110	170,139	25,962	564	1,459	409,206
External transfers	7,541	10,622	306	1,739	-	151,155	35,612	-	40,123	247,098
Debt services	14,433	-	-	-	150	-	-	-	-	14,583
Amortization	7,101	12,725	46,377	38,782	4,552	9,317	13,408	1,050	-	133,312
Miscellaneous	113	-	459	560	11	-	-	-	-	1,143
<b>Total expenses</b>	<b>54,949</b>	<b>278,435</b>	<b>169,768</b>	<b>181,115</b>	<b>140,882</b>	<b>509,066</b>	<b>83,138</b>	<b>1,981</b>	<b>46,920</b>	<b>1,466,254</b>
<b>Annual surplus (deficit)</b>	<b>\$ 547,520</b>	<b>\$ (245,488)</b>	<b>\$ (23,694)</b>	<b>\$ 88,067</b>	<b>\$ (54,635)</b>	<b>\$ (54,419)</b>	<b>\$ (41,839)</b>	<b>\$ (1,069)</b>	<b>\$ (45,924)</b>	<b>\$ 168,519</b>

# The Regional Municipality of Niagara

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
<b>Revenues:</b>										
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
<b>Total revenues</b>	<b>538,754</b>	<b>36,636</b>	<b>122,210</b>	<b>231,771</b>	<b>85,569</b>	<b>399,256</b>	<b>45,535</b>	<b>823</b>	<b>2,607</b>	<b>1,462,161</b>
<b>Expenses:</b>										
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
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
<b>Total expenses</b>	<b>31,158</b>	<b>251,378</b>	<b>159,784</b>	<b>169,979</b>	<b>138,094</b>	<b>452,008</b>	<b>81,105</b>	<b>2,194</b>	<b>47,983</b>	<b>1,333,683</b>
<b>Annual surplus (deficit)</b>	<b>\$ 510,006</b>	<b>\$ (214,742)</b>	<b>\$ (39,248)</b>	<b>\$ 61,056</b>	<b>\$ (52,525)</b>	<b>\$ (52,752)</b>	<b>\$ (36,570)</b>	<b>\$ (1,371)</b>	<b>\$ (45,376)</b>	<b>\$ 128,478</b>

# The Regional Municipality of Niagara

**19. Budget data:** The budget amounts presented in these consolidated financial statements are based upon the 2025 operating and capital budgets approved by Council on December 12, 2024. 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.

Revenues	Budget Amount
<b>Operating:</b>	
Approved budget	\$ 1,562,404
Budget adjustments and amendments	42,978
Revenues classified as expenses	(222)
Share of Canada Games Park Consortium revenue	912
<b>Capital:</b>	
Development charges	28,486
Grants and subsidies	65,324
Gain on disposal of tangible capital assets	2,947
Other contributions	5,101
<b>Less:</b>	
Transfers from reserves	(34,316)
Proceeds on sale of tangible capital assets	(4,719)
<b>Total revenue</b>	<b>\$ 1,668,895</b>
Expenses	Budget Amount
<b>Operating:</b>	
Approved budget	\$1,562,404
Budget adjustments and amendments	42,978
Revenues classified as expenses	(222)
Share of Canada Games Park Consortium expense	891
<b>Capital:</b>	
Capital project cost resulting in operating expenses	5,541
Amortization	133,311
Employee future benefits	10,979
<b>Less:</b>	
Abatement expense	(3,149)
Operating expenses resulting in tangible capital assets	(4,663)
Transfers to reserves, including capital	(174,544)
Debt principal payments	(47,654)
<b>Total expenses</b>	<b>1,525,872</b>
<b>Annual surplus</b>	<b>\$ 143,023</b>

# The Regional Municipality of Niagara

**20. 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:

	2025	2024
Accounts receivable	\$ (54,274)	\$ (13,383)
Other current assets	206	303
Tangible capital assets held for sale	(910)	-
Accounts payable and accrued liabilities	56,715	(10,498)
Deferred revenue	24,598	69,979
Inventory	3	774
Prepaid expenses	(5,533)	(3,636)
<b>Net change in non-cash assets and liabilities</b>	<b>\$ 20,805</b>	<b>\$ 43,529</b>

**21. Financial Instrument Risk:** 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 2. 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 2024.

- a. **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.
- b. **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 laddered investment maturity approach to match large cash outflows.
- c. **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.



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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, 2025
- the statement of operations and change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

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

### ***Basis for Opinion***

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

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

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



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

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

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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



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

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 1, 2026

# The Regional Municipality of Niagara

## Sinking Fund Statement of Financial Position

As at December 31, 2025 (In thousands of dollars)

<b>Financial Assets</b>	<b>2025</b>	<b>2024</b>
Cash	\$ 1,742	\$ 1,279
Interest receivable	1,271	937
Investments (note 2)	27,952	26,040
	<b>\$ 30,965</b>	<b>\$ 28,256</b>

<b>Liabilities</b>	<b>2025</b>	<b>2024</b>
Accounts payable and accrued liabilities	\$ 5	\$ 5
Due to operating fund	236	182
Sinking fund requirements		
City of St. Catharines	3,550	3,252
The Regional Municipality of Niagara	26,146	23,952
	<b>29,937</b>	<b>27,391</b>
Accumulated surplus and net financial assets	<b>\$ 1,028</b>	<b>\$ 865</b>

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, 2025 (In thousands of dollars)

<b>Revenues</b>	<b>2025</b>	<b>2024</b>
Contributions	\$ 1,512	\$ 1,512
Investment Income	1,147	1,053
<b>Total revenues</b>	<b>\$ 2,659</b>	<b>\$ 2,565</b>

<b>Expenses</b>	<b>2025</b>	<b>2024</b>
Professional fees	\$ 5	\$ 5
Provision for sinking fund requirements	2,491	2,406
<b>Total expenses</b>	<b>2,496</b>	<b>2,411</b>
Annual surplus and net change in financial assets for the year	163	154
Accumulated surplus, beginning of year	865	711
<b>Accumulated surplus, end of year</b>	<b>\$1,028</b>	<b>\$ 865</b>

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, 2025 (In thousands of dollars)

<b>Operating Activities</b>	<b>2025</b>	<b>2024</b>
Annual surplus	\$ 163	\$ 154
Change in non-cash working capital balances		
Interest receivable	(334)	(332)
Due to operating fund	54	108
Accounts payable	-	1
<b>Net change in cash used in operating activities</b>	<b>(117)</b>	<b>(69)</b>

<b>Investing Activity</b>	<b>2025</b>	<b>2024</b>
Purchase of investments	(1,912)	(1,876)
<b>Net change in cash used in investing activity</b>	<b>(1,912)</b>	<b>(1,876)</b>

<b>Financing Activity</b>	<b>2025</b>	<b>2024</b>
Increase in sinking fund requirements	2,492	2,406
<b>Net change in cash from financing activity</b>	<b>2,492</b>	<b>2,406</b>
Net change in cash	463	461
Cash, beginning of year	1,279	818
<b>Cash, end of year</b>	<b>\$ 1,742</b>	<b>\$ 1,279</b>

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, 2025 (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.
- e) **Financial instruments and fair value hierarchy:** The Sinking Fund's financial assets and liabilities are all measured at cost or amortized cost.

# The Regional Municipality of Niagara

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.
- iv) The fair value of the Sinking Funds' investments as at December 31, 2025 and 2024, are Level 1.

## **2) Investments:**

At December 31, 2025 the investments have a market value of \$25,532 (2024 - \$23,628)



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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, 2025
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

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

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

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



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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



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

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 1, 2026

# The Regional Municipality of Niagara

## Trust Funds Statement of Financial Position

For the year ended December 31, 2025 (In thousands of dollars)

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Cash	\$ 326	\$ 306
Due from Regional Municipality of Niagara	832	906
Fund balance	\$ 1,158	\$ 1,212

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, 2025 (In thousands of dollars)

<b>Revenue</b>	<b>2025</b>	<b>2024</b>
Deposits from residents	\$ 591	\$ 538
Donations	207	296
	<b>798</b>	<b>834</b>
<b>Expenses</b>	<b>2025</b>	<b>2024</b>
Expenditures for the benefit of residents	852	643
	<b>852</b>	<b>643</b>
Excess (deficiency) of revenues over expenses	(54)	191
Fund balance, beginning of year	1,212	1,021
Fund balance, end of year	<b>\$ 1,158</b>	<b>\$ 1,212</b>

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, 2025 (In thousands of dollars)

<b>Operating Activities:</b>	<b>2025</b>	<b>2024</b>
Excess (deficiency) of revenues over expenses	<b>\$ (54)</b>	\$ 191
Change in non-cash assets and liabilities		
Due from Regional Municipality of Niagara	<b>74</b>	(202)
Net change in cash (used in) operating activities	<b>20</b>	(11)
Cash, beginning of year	<b>306</b>	317
Cash, end of year	<b>\$ 326</b>	\$ 306

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, 2025 (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 seven long-term care homes:

- Gilmore 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 estimate



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Niagara Regional 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, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

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

### ***Basis for Opinion***

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

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

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



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

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

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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



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

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 1, 2026

# Niagara Regional Housing

## Statement of Financial Position

As at December 31, 2025

<b>Financial Assets</b>	<b>2025</b>	<b>2024</b>
Cash	\$ 1,339,866	\$ 3,708,389
Accounts receivable	5,659,957	6,037,241
Due from Niagara Region	10,796,742	11,480,006
<b>Total financial assets</b>	<b>17,796,565</b>	<b>21,225,636</b>
<b>Financial Liabilities</b>		
Deferred revenue (note 3)	3,874,961	8,464,688
Mortgages and debentures (note 4)	22,690,150	27,890,927
Asset retirement obligations (note 5)	3,739,970	3,589,413
	<b>30,305,081</b>	<b>39,945,028</b>
Net debt	<b>(12,508,516)</b>	<b>(18,719,392)</b>
<b>Non-financial Assets</b>		
Tangible capital assets (note 6)	208,042,113	201,365,910
	<b>208,042,113</b>	<b>201,365,910</b>
Commitments (note 8)		
Accumulated surplus (note 7)	\$ 195,533,597	\$ 182,646,518

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

# Niagara Regional Housing

## Consolidated Statement of Operations

For the year ended December 31, 2025

Revenues	2025 Budget	2025 Actual	2024 Actual
Rental revenue	\$ 19,571,970	\$ 20,340,766	\$ 19,318,494
Subsidies			
Niagara Region	43,341,302	44,190,836	36,443,842
Federal and Provincial Government	4,755,983	4,755,984	7,287,445
Investment income	150,000	268,086	251,996
Development charge revenue	(530,086)	(530,086)	666,855
Sundry revenue	662,292	673,003	264,338
	<b>67,951,461</b>	<b>69,698,589</b>	64,232,970
Transferred to Niagara Region and reserves	(5,042,736)	(5,042,736)	(3,917,286)
	<b>62,908,725</b>	<b>64,655,853</b>	60,315,684
Expenses			
Property taxes	6,881,072	7,064,660	6,587,587
Support services – Niagara Region	12,180,456	12,200,101	7,144,340
Amortization	13,403,112	13,403,112	12,415,162
Accretion (Note 5)	150,557	150,557	144,419
Bad debts	157,500	294,972	233,845
Wages, salaries and benefits	394,384	385,435	382,106
Utilities	6,010,936	6,482,750	5,753,899
Materials and services	8,576,364	9,399,801	8,753,059
Interest on debenture and mortgage payment	683,204	669,032	772,237
Debenture payments (note 8)	190,708	190,708	396,959
Administration	1,124,742	1,105,068	908,221
Supplies and equipment	203,006	354,481	242,793
Government land lease	65,605	68,097	72,943
	<b>50,021,646</b>	<b>51,768,774</b>	43,807,570
Annual surplus	12,887,079	12,887,079	16,508,114
Accumulated surplus, beginning of year	182,646,518	182,646,518	166,138,404
Accumulated surplus, end of year	<b>\$ 195,533,597</b>	<b>\$ 195,533,597</b>	\$ 182,646,518

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

# Niagara Regional Housing

## Statement of Change in Net Debt

For the year ended December 31, 2025

	2025 Budget (note 10)	2025 Actual	2024 Actual
Annual Surplus	\$ 12,887,079	\$ 12,887,079	\$ 16,508,114
Acquisition of tangible capital assets, net of disposals	(20,079,315)	(20,079,315)	(22,481,173)
Amortization of tangible capital assets	13,403,112	13,403,112	12,415,162
Change in prepaid expenses	-	-	58,878
Change in net debt	6,210,876	6,210,876	6,500,981
Net debt, beginning of year	(18,719,392)	(18,719,392)	(25,220,373)
<b>Net debt, end of year</b>	<b>\$ (12,508,516)</b>	<b>\$ (12,508,516)</b>	<b>\$ (18,719,392)</b>

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, 2025

<b>Operating Activities</b>	<b>2025</b>	<b>2024</b>
Annual surplus	\$ 12,887,079	\$ 16,508,114
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	13,403,112	12,415,162
Accretion expense	150,557	144,419
<b>Change in non-cash assets and liabilities:</b>		
Accounts receivable	377,284	(1,274,720)
Deferred revenue	(4,589,727)	(4,025,389)
Prepaid expenses	-	58,878
<b>Net change in cash from operating activities</b>	<b>22,228,305</b>	<b>23,826,464</b>
<b>Operating Activities</b>		
Cash used to acquire tangible capital assets	(20,079,315)	(24,083,326)
<b>Financing Activities</b>		
Mortgage and debenture repayments	(5,200,777)	(5,361,766)
Change in due from Niagara Region	683,264	6,687,226
<b>Net change in cash from financing activities</b>	<b>(4,517,513)</b>	<b>1,325,460</b>
Net change in cash	(2,368,523)	1,068,598
Cash, beginning of year	3,708,389	2,639,791
<b>Cash, end of year</b>	<b>\$ 1,339,866</b>	<b>\$ 3,708,389</b>
Cash paid for interest	\$ 669,032	\$ 772,237

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, 2025

### 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:** 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.

**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.

# Niagara Regional Housing

## 2. Significant accounting policies (continued):

**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 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 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:** 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.

# Niagara Regional Housing

## 2. Significant accounting policies (continued):

**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.

**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. Deferred revenue

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

	2025	2024
Canada Mortgage and Housing Corporation	3,359,326	7,924,602
Other	515,635	540,086
Balance, end of year	\$ 3,874,961	\$ 8,464,688

# Niagara Regional Housing

## 4. Mortgages and debentures

Amounts consist of mortgages secured by the income producing properties of the Corporation. As at December 31, 2025, the unpaid balances of these mortgages and debentures are as follows:

	2025	2024
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.15% to 2.80% due in 2025	\$ -	322,000
Debenture for Niagara Regional Housing capital program bearing interest at 2.25% due in 2025	-	120,399
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 2.40% due in 2026	<b>608,073</b>	1,202,486
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 2.45% due in 2027	<b>368,544</b>	546,651
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 2.05% to 3.15% due in 2028	<b>2,229,000</b>	2,930,000
Ontario Infrastructure and Lands Corporation amortization debenture for Niagara Regional Housing capital program bearing interest at 3.74% due in 2042	<b>3,134,465</b>	3,264,407
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 2.00% to 2.40% due in 2029	<b>6,470,568</b>	8,004,166
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 0.6% to 1.6% due in 2030	<b>1,833,560</b>	2,129,800
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 0.4% to 2.1% due in 2031	<b>5,042,000</b>	5,840,000
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	<b>1,315,106</b>	1,631,747
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 3.4% to 4.2% due in 2032	<b>1,688,834</b>	1,899,271
	<b>\$ 22,690,150</b>	<b>\$ 27,890,927</b>

# Niagara Regional Housing

## 4. Mortgages and debentures (continued):

The annual principal payments are as follows:

Year	Amount
2026	\$ 4,922,687
2027	4,417,426
2028	4,334,940
2029	3,559,646
2030	1,643,737
Thereafter	3,811,714
<b>Total principal payments</b>	<b>\$ 22,690,150</b>

## 5. 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 \$3,464,379 (2024 - \$3,327,469) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.25% (2024 – 4.25%) and assuming annual inflation of 2.00% (2024 – 2.00%). The Region has not designated funds for settling the abatement activities.

	2025	2024
Balance, beginning of year	\$ 3,327,469	\$ 4,743,365
Adjustment for updated assumptions	-	(1,549,636)
Accretion expense	136,910	133,740
Balance, end of year	\$ 3,464,379	\$ 3,327,469

**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 \$275,591 (2024 - \$261,944) is based on the sum of discounted future cash flows for abatement activities using a discount rate of 4.25% (2024 – 4.25%) and assuming annual inflation of 2.00% (2024 – 2.00%). The Region has not designated funds for settling the abatement activities.

	2025	2024
Balance, beginning of year	\$ 261,944	\$ 303,782
Adjustment for updated assumptions	-	(52,517)
Accretion expense	13,647	10,679
Balance, end of year	\$ 275,591	\$ 261,944

# Niagara Regional Housing

## 6. Tangible capital assets: 2025

	Land	Land Improvements	Building	Equipment	Work in progress	Total
<b>Cost:</b>						
Balance, beginning of year	\$ 49,093,343	\$ 16,188,027	\$ 263,965,033	\$ 5,378,485	\$ 5,209,331	\$ 339,834,219
Additions	-	2,666,226	10,323,314	787,152	6,302,623	20,079,315
Asset retirement obligations	-	-	-	-	-	-
Disposals	-	-	-	(386,787)	-	(386,787)
<b>Balance, end of year</b>	<b>\$ 49,093,343</b>	<b>\$ 18,854,253</b>	<b>\$ 274,288,347</b>	<b>\$ 5,778,850</b>	<b>\$ 11,511,954</b>	<b>\$ 359,526,747</b>
<b>Accumulated Amortization:</b>						
Balance, beginning of year	-	\$ 4,100,428	\$ 131,911,736	\$ 2,456,145	-	\$ 138,468,309
Disposals	-	-	-	(386,787)	-	(386,787)
Amortization expense	-	834,622	12,191,128	377,362	-	13,403,112
<b>Balance, end of year</b>	<b>-</b>	<b>\$ 4,935,050</b>	<b>\$ 144,102,864</b>	<b>\$ 2,446,720</b>	<b>-</b>	<b>\$ 151,484,634</b>
<b>Net Book Value, end of year</b>	<b>\$ 49,093,343</b>	<b>\$ 13,919,203</b>	<b>\$ 130,185,483</b>	<b>\$ 3,332,130</b>	<b>\$ 11,511,954</b>	<b>\$ 208,042,113</b>

# Niagara Regional Housing

2024

	Land	Land Improvements	Building	Equipment	Work in progress	Total
<b>Cost:</b>						
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)
<b>Balance, end of year</b>	<b>\$ 49,093,343</b>	<b>\$ 16,188,027</b>	<b>\$ 263,965,033</b>	<b>\$ 5,378,485</b>	<b>\$ 5,209,331</b>	<b>\$ 339,834,219</b>
<b>Accumulated</b>						
<b>Amortization:</b> 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
<b>Balance, end of year</b>	<b>-</b>	<b>\$ 4,100,428</b>	<b>\$ 131,911,736</b>	<b>\$ 2,456,145</b>	<b>-</b>	<b>\$ 138,468,309</b>
<b>Net Book Value, end of year</b>	<b>\$ 49,093,343</b>	<b>\$ 12,087,599</b>	<b>\$ 132,053,297</b>	<b>\$ 2,922,340</b>	<b>\$ 5,209,331</b>	<b>\$ 201,365,910</b>

# Niagara Regional Housing

## 6. Tangible capital assets (continued):

**Assets under construction:** at December 31, 2025 valued at \$11,511,954 (2024 - \$5,209,331) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**Contributed tangible 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:** during the year was \$nil (2024 - \$nil).

## 7. Accumulated Surplus

Accumulated surplus consists of individual fund surplus as follows:

	2025	2024
Invested in tangible capital assets	\$ 185,351,964	\$ 173,474,982
Capital fund: Unexpended capital financing	13,768,881	12,608,227
Operating fund	152,722	152,722
Unfunded Asset Retirement Obligation	(3,379,970)	(3,589,413)
<b>Total accumulated surplus</b>	<b>\$ 195,533,597</b>	<b>\$ 182,646,518</b>

## 8. 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 \$348,624 (2024 - \$701,996) and payments during the year of \$190,708 (2024 – \$396,960) have been charged to current operations.

## 9. Budget data

The budget data presented in these financial statements is based upon the 2025 operating and capital budgets approved by the NRH Board on October 25, 2024. 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.

# Niagara Regional Housing

## 9. Budget data (continued):

The chart below reconciles the approved budget to the budget figures reported in these financial statements, in accordance with PSAS.

Revenues - Operating	Budget Amount
Approved Operating Revenue	\$ 43,331,475
Capital	24,619,986
<b>Less:</b> Surplus transferred to Niagara Region and transferred to reserves	(5,042,736)
<b>Total revenue</b>	<b>62,908,725</b>

Expenses - Operating	
Approved Operating Expenses	43,331,505
<b>Add:</b>	
Amortization	13,403,112
Accretion	150,557
Expenditures included in capital fund	926,294
<b>Less:</b>	
Transfers to reserves	(2,589,045)
Transfers to capital	-
Debt principal payments	(5,200,777)
<b>Total expenses</b>	<b>50,021,646</b>
<b>Annual surplus</b>	<b>\$ 12,887,079</b>

## 10. 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, 2025

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

Revenues	2025 Budget	2025 Actual	2024 Actual
Rental revenue	\$ 19,572,540	\$ 20,341,336	\$ 19,318,494
<b>Subsidies:</b>			
Niagara Region	23,163,008	23,853,758	18,498,213
Federal and Provincial Government	190,708	190,708	396,959
Investment income	150,000	268,086	251,996
Sundry revenue	255,219	265,930	264,338
	<b>43,441,475</b>	<b>44,919,818</b>	<b>38,730,000</b>
Expenses			
Property taxes	6,881,072	7,064,660	6,587,586
Support services – Niagara Region	12,180,456	12,200,101	7,144,340
Bad debts	157,800	294,972	233,845
Wages, salaries and benefits	394,354	385,405	382,106
Utilities	6,010,936	6,482,750	5,750,009
Materials and services	8,163,349	8,986,786	8,869,922
Interest on debenture and mortgage payments	683,205	669,032	772,237
Debenture payments (note 7)	190,708	190,708	396,959
Administration	637,968	618,294	529,348
Supplies and equipment	176,500	327,974	235,200
Government land lease	65,605	68,097	72,943
	<b>35,541,653</b>	<b>37,288,779</b>	<b>30,974,495</b>
Annual surplus	<b>7,789,822</b>	<b>7,631,039</b>	<b>7,755,505</b>
Financing and Transfers			
Transfer to reserves	(2,589,045)	(2,589,045)	(2,589,045)
Transfer from Niagara Region	-	158,783	195,306
Debt principal payments	(5,200,777)	(5,200,777)	(5,361,766)
	<b>(7,789,822)</b>	<b>(7,631,039)</b>	<b>(7,755,505)</b>
Operating fund balance, end of year	\$ -	\$ -	\$ -

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



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## INDEPENDENT AUDITOR'S REPORT

To the those changed with governance of The Regional Municipality of Niagara Court Services

### ***Opinion***

We have audited the accompanying schedules revenues, expenses and funds available for distribution of The Regional Municipality of Niagara Court Services (the Entity) for the year ended December 31, 2025 and notes to the schedule (collectively referred to as the 'schedule').

In our opinion, the accompanying schedule is presented fairly, 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 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.

### ***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 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 the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the schedule, including the disclosures, and whether the schedule represents the underlying transactions and events in a manner that achieves fair presentation.



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

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 1, 2026

# The Regional Municipality of Niagara Court Services

## Schedule of Revenue, Expenditures & Funds Available for Distribution

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

Revenue (schedules 1 & 2)	2025 Budget	2025 Actual	2024 Actual
Offence receipts and other revenue	\$ 12,997,120	\$ 9,885,539	\$ 11,797,805
Operating fund balance, end of year	12,997,120	9,882,539	11,797,805
Controllable Expenditures (schedules 1 & 2)			
Salaries and benefits	3,325,195	2,762,153	2,562,147
Program support costs (note 4)	1,432,752	1,373,607	1,273,910
Collection charges	210,000	124,808	146,770
Legal	45,000	45,894	38,026
Call in prosecution	32,000	-	-
Payment processing costs	267,900	190,891	196,949
Telephone	8,600	8,065	9,148
Office and administration	165,165	137,724	116,595
	5,486,612	4,643,142	4,343,545
Uncontrollable Expenditures (schedules 1 & 2)			
Revenue collected on behalf of other municipalities/provinces	80,000	115,491	194,453
Victim fine surcharge	2,130,630	1,515,309	1,875,581
Adjudication	450,000	246,852	251,361
Dedicated fines	20,000	25,148	89,925
Other provincial expenditures	425,250	266,830	311,576
	3,105,880	2,169,630	2,722,896
Total expenditures	8,592,492	6,812,772	7,066,441
Excess of revenue over expenditures	4,404,628	3,069,767	4,731,365
Change in employee benefits and other liabilities	-	58,226	20,996
Transfer to Niagara Region (note 2)	(2,480,690)	(1,113,121)	(1,454,103)
Funds available for distribution (note 3)	\$ 1,923,938	\$ 2,014,872	\$ 3,298,258

# The Regional Municipality of Niagara Court Services

## Notes to the Schedule December 31, 2025

- 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:** 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.

- 2. Transfer to Niagara Region**

**Transfers Related to Base Operations:** Court Services transferred \$200,000 (2024 - \$200,000) to the Niagara Region in 2025 which was transferred to the Court Services Facility Renewal reserve.

# The Regional Municipality of Niagara Court Services

## 2. Transfer to Niagara Region (continued):

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

	2025	2024
Reserve held by the Niagara Region, beginning of year	\$ 4,301,104	\$ 4,101,104
Transfers during the year to reserve from operating budget	200,000	200,000
Reserve held by the Niagara Region, end of year	\$ 4,501,104	\$ 4,301,104

**Transfers Related to Automated Enforcement Operations:** As permitted in the Intermunicipal Agreement, Court Services has transferred Automated Enforcement net revenues of \$913,121 (2024 - \$1,254,103) to the Niagara Region's Transportation Services division to recover its Automated Enforcement program related costs.

## 3. Distribution to area municipalities

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

	Budget	2025	2024
Region of Niagara	\$ 961,969	\$ 1,007,436	\$ 1,649,129
Niagara Falls	185,298	194,056	317,586
Port Colborne	30,122	31,546	51,095
St. Catharines	228,871	239,688	395,457
Thorold	47,638	49,890	78,265
Welland	80,999	84,828	137,001
Fort Erie	63,472	66,473	108,272
Grimsby	74,694	78,224	129,496
Lincoln	64,999	68,071	112,431
Niagara-on-the-Lake	85,989	90,054	148,017
Pelham	46,029	48,204	78,478
Wainfleet	17,655	18,490	30,346
West Lincoln	36,201	37,912	62,685
	\$ 1,923,938	\$ 2,014,872	\$ 3,298,258

# The Regional Municipality of Niagara Court Services

## 3. Distribution to area municipalities (continued):

Distribution to area municipalities for 2025 net revenues:

	Excluding Automated Enforcement	Automated Enforcement Only
Region of Niagara	\$ 363,735	\$ 643,701
Niagara Falls	70,064	123,992
Port Colborne	11,390	20,156
St. Catharines	86,539	153,149
Thorold	18,013	31,877
Welland	30,627	54,201
Fort Erie	24,000	42,473
Grimsby	28,243	49,981
Lincoln	24,577	43,494
Niagara-on-the-Lake	32,514	57,540
Pelham	17,404	30,800
Wainfleet	6,676	11,814
West Lincoln	13,688	24,224
	<b>\$ 727,470</b>	<b>\$ 1,287,402</b>

## 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

## 4. Program support costs (continued):

Program support costs which have been allocated are:

	Budget	2025	2024
Finance services	\$ 211,187	230,247	\$ 175,557
Human resources services	84,568	70,165	60,790
Information technology services	214,568	199,486	153,074
Legal services	70,749	63,389	59,912
Insurance costs	3,082	2,464	1,859
Printing costs	612	441	777
Mail costs	11,400	9,733	9,445
Communications costs	1,251	698	949
Facilities costs	835,085	796,985	811,547
	<b>1,432,752</b>	<b>1,373,607</b>	<b>1,273,910</b>

Program Support Costs Excluding Automated Enforcement:

	Budget	2025	2024
Finance services	179,207	178,149	\$ 155,535
Human resources services	70,524	55,522	49,007
Information technology services	142,801	143,964	117,926
Legal services	70,749	63,389	59,912
Insurance costs	2,467	1,953	1,795
Printing costs	612	441	777
Mail costs	5,700	9,733	9,445
Communications costs	549	698	949
Facilities costs	589,225	796,985	811,547
	<b>1,061,834</b>	<b>1,250,834</b>	<b>1,206,893</b>

# The Regional Municipality of Niagara Court Services

## 4. Program support costs (continued):

Program Support Costs for Automated Enforcement Only:

	<b>Budget</b>	<b>2025</b>	<b>2024</b>
Finance services	<b>31,980</b>	<b>52,098</b>	\$ 20,021
Human resources services	<b>14,044</b>	<b>14,643</b>	11,783
Information technology services	<b>72,017</b>	<b>55,521</b>	35,148
Insurance costs	<b>615</b>	<b>511</b>	64
Mail costs	<b>5,700</b>	-	-
Communication costs	<b>702</b>	-	-
Facilities costs	<b>245,860</b>	-	-
	<b>\$ 370,918</b>	<b>\$ 122,773</b>	<b>\$ 67,017</b>

# The Regional Municipality of Niagara Court Services

## Schedule 1

### Court Services Schedule of Revenues, Expenses and Funds

Available for Distribution (excluding Automated Enforcement)

For the year ended December 31, 2025

Revenue	2025 Budget	2025 Actual	2024 Actual
Offence receipts and other revenue	\$ 5,741,800	\$ 6,217,298	\$ 5,635,258
<b>Total revenues</b>	<b>5,741,800</b>	<b>6,217,298</b>	<b>5,635,258</b>
Controllable Expenditures			
Salaries and benefits	2,492,598	2,220,375	2,079,224
Program support costs (note 4)	1,061,834	1,250,834	1,206,893
Collection charges	175,000	109,472	142,853
Legal	45,000	45,894	38,026
Payment processing costs	91,250	155,520	96,815
Telephone	8,600	8,065	7,673
Office and administration	113,240	119,174	87,059
	<b>3,987,522</b>	<b>3,909,333</b>	<b>3,658,543</b>
Uncontrollable Expenditures			
Revenue collected on behalf of other municipalities/provinces	80,000	115,491	194,583
Victim fine surcharge	858,870	899,329	821,757
Adjudication	225,000	218,541	228,414
Dedicated fines	20,000	25,148	81,367
Other provincial expenditures	171,500	180,212	170,159
	<b>1,355,370</b>	<b>1,438,721</b>	<b>1,496,150</b>
<b>Total expenditures</b>	<b>5,342,892</b>	<b>5,348,054</b>	<b>5,154,694</b>
Excess of revenue over expenditures	398,908	869,244	480,564
Change in employee benefits and other liabilities	-	58,266	20,996
Transfer to Niagara Region (note 2)	(200,000)	(200,000)	(200,000)
<b>Funds available for distribution (note 3)</b>	<b>\$ 198,908</b>	<b>\$ 727,470</b>	<b>\$ 301,560</b>

# The Regional Municipality of Niagara Court Services

## Schedule 2

### Court Services Schedule of Revenues, Expenses and Funds

Available for Distribution (excluding Automated Enforcement)

For the year ended December 31, 2025

Revenue	2025 Budget	2025 Actual	2024 Actual
Offence receipts and other revenue	\$ 7,255,320	\$ 3,665,241	\$ 6,162,547
<b>Total revenues</b>	<b>7,255,320</b>	<b>3,655,241</b>	<b>6,162,547</b>
Controllable Expenditures			
Salaries and benefits	832,597	541,778	482,922
Program support costs (note 4)	370,918	122,773	67,017
Collection charges	35,000	15,336	3,917
Call in prosecution	32,000	-	-
Payment processing costs	176,650	35,371	100,134
Telephone	-	-	1,475
Office and administration	51,925	18,550	29,536
	<b>1,499,090</b>	<b>733,809</b>	<b>685,001</b>
Uncontrollable Expenditures			
Victim fine surcharge	1,271,760	615,980	1,053,824
Adjudication	225,000	28,311	22,947
Dedicated fines	-	-	8,558
Other provincial expenditures	253,750	86,618	141,417
	<b>1,750,510</b>	<b>730,909</b>	<b>1,226,746</b>
<b>Total expenditures</b>	<b>3,249,601</b>	<b>1,464,718</b>	<b>1,911,746</b>
Excess of revenue over expenditures	4,005,719	2,200,523	4,250,801
Transfer to Niagara Region (note 2)	(2,280,690)	(913,121)	(1,254,103)
<b>Funds available for distribution (note 3)</b>	<b>\$ 1,725,030</b>	<b>\$ 1,287,402</b>	<b>\$ 2,996,698</b>

# Statistical



Niagara Escarpment at  
Grimsby  
Photo by: Marc Kirouac,  
Binbrook



# Five Year Statistical Review

## Consolidated Financial Position

Year ended December 31, 2025, with comparative information for 2024-2021 (unaudited – in thousands of dollars)

<b>Financial Assets</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Cash	\$184,087	\$ 157,703	\$ 107,166	\$ 128,746	\$ 169,862
Investments	910,712	910,922	845,442	832,296	787,658
Accounts receivable	193,176	138,902	125,519	105,156	104,799
Other current assets	1,431	727	1030	1,405	1,509
Debt recoverable from others	388,400	365,485	343,472	341,860	345,859
<b>Total financial assets</b>	<b>1,677,806</b>	<b>1,573,739</b>	<b>1,422,629</b>	<b>1,409,463</b>	<b>1,409,687</b>
<b>Financial Liabilities</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Accounts payable and accrued liabilities	264,076	207,360	217,859	180,988	172,733
Employee future benefits and post-employment liabilities	162,023	151,355	140,995	131,906	124,330
Deferred revenue	480,903	456,306	386,326	339,149	289,795
Asset retirement obligations *	135,826	140,275	151,110	77,703	78,250
Contaminated sites liability	3,563	3,563	576	576	576
Long-term liabilities	745,862	757,934	709,742	738,571	762,474
Capital lease obligation	3,951	4,018	4,082	4,144	4,204
Total financial liabilities	1,796,204	1,720,811	1,610,690	1,473,037	1,432,362
<b>Net debt</b>	<b>(118,398)</b>	<b>(147,072)</b>	<b>(188,061)</b>	<b>(63,574)</b>	<b>(22,675)</b>
<b>Non-financial Assets</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Tangible capital assets	2,614,398	2,480,258	2,396,341	2,097,154	2,053,549
Inventory	12,925	12,928	13,702	10,567	9,298
Prepaid expenses	36,027	30,494	26,848	21,784	19,329
Other investment	1,750	1,575	875	-	-
Total non-financial assets	2,665,100	2,525,255	2,437,766	2,129,505	2,082,176
Accumulated surplus	\$2,546,702	\$2,378,183	\$2,249,705	\$2,065,931	\$2,059,501

# Five Year Statistical Review

## Consolidated Financial Position

Year ended December 31, 2025, with comparative information for 2024-2021 (unaudited – in thousands of dollars)

<b>Net Long-Term Liabilities</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total long-term liabilities	\$776,824	\$ 786,191	\$ 735,328	\$ 761,659	\$ 783,184
Sinking fund assets	(30,962)	(28,257)	(25,586)	(23,088)	(20,710)
Debt recoverable from others	(388,400)	(365,485)	(343,472)	(341,860)	(345,859)
Net Long-Term Liabilities	357,462	392,449	366,270	\$ 396,711	\$ 416,615
Recovered from:					
Tax levy	268,056	295,821	267,877	298,466	322,575
Special levy	9,112	11,027	12,931	8,540	-
Rate supported	81,163	85,601	85,462	89,705	94,040
Total Recovered from Levy	358,331	392,449	366,270	396,711	416,615
Net long-term liabilities per capita	\$649	\$728	\$697	\$ 800	\$ 859

## Annual Repayment Limit

<b>Annual Repayment Limit</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
25 per cent of own source revenues	\$244,965	\$220,523	\$206,825	\$ 180,346	\$ 172,188
Debt payments (interest and principal)	\$46,931	\$45,030	\$48,033	\$ 47,279	\$ 46,666
Annual repayment limit (\$)	\$198,034	\$175,493	\$158,792	\$ 133,067	\$ 125,522
Debt payments per capita	\$85	\$83	\$91	\$ 95	\$ 94
Debt payments as a percentage of total expenses	3.2%	3.4%	3.7%	4.3%	4.4%

# Five Year Statistical Review

## Consolidated Statement of Operations

Year ended December 31, 2025, with comparative information for 2024-2021 (unaudited – in thousands of dollars)

<b>Revenues By Source</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Property taxpayer	\$560,257	\$ 504,146	\$ 464,341	\$ 441,801	\$ 423,319
Sewer charges	118,392	102,907	93,667	85,065	80,333
Water charges	60,343	54,330	50,566	47,922	44,711
Transit Special Levy	64,619	59,015	58,603	-	-
Waste management	46,613	45,903	45,999	60,648	59,533
User charges	91,573	88,556	88,466	60,074	52,094
Government of Canada grants	56,700	42,121	42,855	33,685	30,586
Province of Ontario grants	545,461	473,148	439,613	384,021	359,896
Other municipalities	1,548	1,038	1,123	2,635	11,070
Development charges	30,953	35,602	51,512	36,935	28,771
Investment income	26,731	14,481	16,728	20,637	15,787
Court services	9,876	11,791	8,111	5,057	6,121
Gain on transfer of tangible capital assets	-	-	-	(77,745)	46,994
Contributed tangible capital assets	4,133	6,633	78,106	-	-
Miscellaneous income/other	17,574	22,490	25,245	15,469	30,705
<b>Total revenue by source</b>	<b>1,634,773</b>	<b>1,462,161</b>	<b>1,464,935</b>	<b>1,116,203</b>	<b>1,189,920</b>
<b>Expense By Function</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
General Government	54,949	31,158	50,272	39,164	54,972
Protection to persons and property	278,435	251,378	228,939	217,074	211,781
Transportation services	169,768	159,784	150,912	80,930	75,045
Environmental services	181,115	169,979	182,434	176,583	166,576
Health services	140,882	138,094	141,821	141,772	135,532
Social and family services	509,066	452,008	401,646	351,694	299,911

Social housing	83,138	81,105	80,579	70,220	66,112
Recreation services	1,981	2,194	1,801	920	-
Planning and development	46,920	47,983	42,757	31,416	16,240
Total expenses by function	1,466,254	1,333,683	1,281,161	1,109,773	1,026,169
Annual Surplus	168,519	128,478	183,774	6,430	163,751
Accumulated surplus, beginning of year	2,378,183	2,249,705	2,065,931	2,059,501	1,895,750
Accumulated surplus, end of year	2,546,702	\$2,378,183	\$2,249,705	\$2,065,931	\$2,059,501

<b>Analysis of Expenses by Object</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Salaries, wages and employee benefits	\$660,912	\$ 609,445	\$ 567,388	\$ 503,681	\$ 484,621
Operating expenses	409,206	357,607	372,163	319,465	293,445
External transfers to others	247,098	232,297	220,129	176,172	140,916
Debt services	14,583	13,517	13,803	14,243	14,270
Amortization	133,312	120,387	107,678	96,212	92,917
Total expenses by object	\$1,465,111	\$1,333,253	\$1,281,161	\$1,109,773	\$1,026,169

# Five Year Statistical Review

## Consolidated Statement of Change in Net Debt

Year ended December 31, 2025, with comparative information for 2024-2021 (unaudited – in thousands of dollars)

Total Change in Net Debt	2025	2024	2023	2022	2021
Annual surplus	\$168,519	\$ 128,478	\$ 183,774	\$ 6,430	\$ 163,751
Acquisition of tangible capital assets	(266,726)	(197,857)	(341,426)	(217,611)	(185,994)
Contributed tangible capital asset	(4,133)	(6,633)	(78,106)	-	(11,547)
Transfer to (from) tangible capital assets held for sale	-	-	-	-	(450)
Amortization of tangible capital assets	133,312	120,387	107,678	96,212	92,917
Loss (gain) on transfer of assets	-	-	-	77,745	(46,994)
Gain (loss) on sale of tangible capital assets	(1,896)	111	(498)	(246)	1,013
Proceeds on sale of tangible capital assets	5,303	75	13,165	295	1,250
Change in inventory	3	774	(3,135)	(1,269)	(813)
Change in other investment	(175)	(700)	(875)	-	-
Change in prepaid expenses	(5,533)	(3,646)	(5,064)	(2,455)	192
Change in net debt	28,674	40,989	(124,487)	(40,899)	13,325
Net debt, beginning of year	(147,072)	(188,061)	(63,574)	(22,675)	(36,000)
Net debt, end of year	\$(118,398)	\$(147,072)	\$(188,061)	\$ (63,574)	\$ (22,675)

Reserves	2025	2024	2023	2022	2021
Capital	\$133,693	\$ 129,171	\$ 111,790	\$ 119,943	\$ 138,527
Stabilization	69,666	68,011	69,462	86,432	96,643
Future Liability	44,607	39,981	42,619	44,284	46,600
Specified Contribution	19,743	27,379	21,910	20,307	9,233
Total	\$267,709	\$ 264,541	\$ 245,780	\$ 270,965	\$ 291,002

Revenue Analysis	2025	2024	2023	2022	2021
Property taxes and user charges as a percentage of consolidated revenue	53.7%	54.4%	50.7%	62.3%	55.5%
Total grants as a percentage of consolidated revenue	36.9%	35.3%	33.0%	37.7%	33.8%

## Tax Levy

Change in Tax Levy	2025	2024	2023	2022	2021
Regional tax levy	\$536,695	\$ 483,038	\$ 444,447	\$ 422,301	\$ 405,301
Regional government tax levy change (Net tax increase/decrease after assessment growth)	9.60%	7.02%	7.58%	2.87%	1.80%

## Taxable Assessment

Total Taxable Assessment	2025	2024	2023	2022	2021
Residential and farm	\$58,376,794	\$57,455,378	\$56,407,322	\$55,318,603	\$54,347,323
Commercial, industrial and business	8,724,752	8,560,018	8,478,719	8,397,661	8,413,471
Total	\$67,101,546	\$66,015,396	\$64,886,040	\$63,716,264	\$62,760,794
Per household	\$268,109	\$266,950	\$264,653	\$260,647	\$263,731
Commercial, industrial, business, as a per cent of taxable assessment	13.0%	13.0%	13.1%	13.2%	13.4%
Typical residents' annual regional property taxes (Average assessment for the Region)	\$2,176	\$1,989	\$1,743	\$1,684	\$1,640

# Five Year Statistical Review

Year ended December 31, 2025, with comparative information for 2024-2021 (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
- Cytec 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, 2025, with comparative information for 2024-2021 (unaudited – in thousands of dollars)

## Statistics

Demographic Statistics	2025	2024	2023	2022	2021
Population (a)	551,128	539,180	525,352	496,059	484,840
Median population age (a)	46.0	46.0	46.0	46.0	46.0
Number of households (b)	217,735	215,229	213,137	212,236	206,071
Total school enrollment (e)	66,472	65,814	66,114	61,444	60,287

Economic Statistics	2025	2024	2023	2022	2021
Average household income (c)	\$120,513	\$ 106,227	\$ 102,675	\$ 93,852	\$ 94,789
Niagara Region government full-time employees	4,415	4,301	4,243	4,163	4,292
Unemployment rates (a):					
Niagara Region	6.9%	7.4%	5.8%	5.2%	9.8%
Ontario	7.7%	7.0%	5.7%	5.6%	8.0%
Canada	6.8%	6.4%	5.4%	5.3%	7.5%
Average monthly Ontario Works caseloads	13,091	12,903	11,774	9,887	8,312
Housing starts (d)	2,544	1,757	2,810	2,771	2,698

Operational Statistics	2025	2024	2023	2022	2021
Annual disposal residential solid waste (metric tonnes) (Note 1)	77,864	77,864	80,041	78,913	88,923
Annual diversion of residential solid waste (metric tonnes) (Note 1)	83,516	83,516	120,247	126,535	126,536
Annual supply of treated water (000 m3)	61,320	58,459	56,474	56,239	54,065
Annual wastewater flows (000 m3)	67,963	71,248	76,722	71,427	67,111

### Note:

- Average household income statistic for 2021 to 2024 is weighted by local population, 2025 statistic no longer includes weighted factor.

# Five Year Statistical Review

Year ended December 31, 2025, with comparative information for 2024-2021 (unaudited – in thousands of dollars)

## Building Permit Values

Building Permits by Sector	2025	2024	2023	2022	2021
Residential & agricultural (a)	\$954,925	\$1,004,923	\$1,010,278	\$1,390,753	\$1,180,978
Business & commercial (a)	202,549	199,837	137,456	152,190	132,401
Industrial (a)	249,337	161,696	166,679	116,825	104,997
Government & institutional (a)	1,447,034	169,912	151,936	94,410	296,109
Total Building Permits	\$2,853,845	\$1,536,368	\$1,466,349	\$1,754,178	\$1,714,485

### 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**

# **2025 Annual Financial Report**

**[niagararegion.ca](http://niagararegion.ca)**

1815 Sir Isaac Brock Way Thorold, ON L2V 4T7

June 2026