
Subject: 2024 Audited Consolidated Financial Statements

Report to: Audit Committee

Report date: Tuesday, May 20, 2025

Recommendations

1. That the audited consolidated financial statements for the Regional Municipality of Niagara (the “Niagara Region”), including the sinking fund and trust fund financial statements, for the year ended December 31, 2024, presented in Appendix 1 to Report AC-C 4-2025, **BE APPROVED**;
2. That the audit findings report pertaining to the audited consolidated financial statements of the Niagara Region for the year ended December 31, 2024, presented in Appendix 2 to Report AC-C 4-2025, **BE RECEIVED** for information; and
3. That staff **BE DIRECTED** to co-ordinate with the auditors to finalize the statements as presented.

Key Facts

- The purpose of this report is to comply with the Audit Committee Terms of Reference that the Audit Committee satisfy itself, on behalf of Regional Council, that Niagara Region’s annual consolidated financial statements are fairly presented in accordance with generally accepted accounting principles and to recommend to Council whether the annual financial statements should be approved.
- The requirement for an annual audit is established in the Municipal Act, 2001, S.O. 2001, c.25 paragraph 294.1.
- Niagara Region received an unqualified audit opinion which means that in the auditor’s opinion the financial statements present fairly, in all material respects, the financial position of the Niagara Region and the results of its operations.
- Year-end budget to actual results (funding surplus) were reported in CSD 8-2025, 2024 Year-End Results and Transfer Report, and are consistent with the results reported in the consolidated financial statements adjusted for accounting presentation required of Public Sector Accounting Standards (PSAS).
- The differences between the funding surplus and the financial statements surplus are reported to Committee and Council annually with the approval of the budget as required by Ontario Regulation, O. Reg 284/09.

Financial Considerations

The consolidated financial statements have been prepared in compliance with legislation and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. A draft copy of the Niagara Region's financial statements for the year ended December 31, 2024, is attached in Appendix 1 to Report AC-C 4-2025.

The Niagara Region budget to actual results (funding surplus or deficit) are prepared and reported on a quarterly basis and used as a tool to manage funding requirements whereas, the consolidated financial statements are prepared to comply with Public Sector Accounting Standards (PSAS). Appendix 3 to Report AC-C 4-2025 reconciles the surplus per the audited Consolidated Statement of Operations to the funding surplus based on the budget approach previously presented in Report CSD 8-2025, 2024 Year-End Results and Transfer Report.

Analysis

The audit of the consolidated financial statements of the Niagara Region, including the sinking fund and trust fund financial statements, for the year ended December 31, 2024, have been audited by Niagara Region's external auditor (KPMG LLP). KPMG's full audit findings report can be found as Appendix 2 to Report AC-C 4-2025. KPMG has indicated that in their opinion, the financial statements present fairly, in all material respects, the financial position of the Niagara Region and the results of its operations.

The consolidated financial statements as of December 31, 2024, include:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Changes in Net Debt
- Consolidated Statement of Cash Flows
- Notes to the consolidated financial statements

The sinking fund financial statements:

- In June 2010, Niagara Region issued sinking fund debentures by way of by-law 76-2010. The first payment into the sinking fund occurred in June 2011. The Municipal Act, 2001, S.O. 2001, c.25 paragraph 409.6 requires the municipal auditor to certify the balance in the sinking fund each year.

The trust Fund financial statements:

- As per Ontario Regulation 79/10, section 241.(10) of the Long-Term Care Homes Act, 2007, every licensee of a long-term care home must have each resident account audited annually.

The consolidated financial statements are prepared using PSAS, making them comparable to other municipalities in Canada.

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, as well as the accumulated surplus of the consolidated Niagara Region operations. This includes all organizations, committees and local boards accountable for the administration of their financial affairs and resources to Niagara Region and which are owned and controlled by the Region. These entities and organizations are wholly consolidated and include:

- Niagara Regional Housing
- Court Services
- Niagara Regional Police Services
- Niagara Transit Commission

Separate audited financial statements of Niagara Regional Housing and Court Services as required by the Housing Services Act and the Niagara Region Courts Inter-Municipal agreement were approved by their respective boards on April 17, 2025 and April 25, 2025 and have been provided to Audit Committee for information as separate reports as required by C-F-020 Financial Reporting and Forecasting Policy. The Niagara Regional Police Services and Niagara Transit Commission have no separate audit requirements and are audited as part of the consolidated financial statements presented.

The consolidated statements also reflect the proportionate consolidation of the Canada Games Park facility in which the Region holds a 25% ownership interest. The four-member consortium group consists of the Region, City of St. Catharines, City of Thorold and Brock University. The consortium partners management committee approved their separate audited financial statements on April 9, 2025 and these formed the basis for the Region's proportionate consolidation.

In accordance with Canadian Auditing Standards, the consolidated financial statements will be dated on the date in which the recognized authority with respect to the financial statements has approved the financial statements and all other procedures are complete. In the case of Niagara Region, this authority lies with Council, and as such, the signed Auditor's report will be received on the date when the financial statements are approved by Council. Until that approval is received, the consolidated financial statements are marked as draft.

Upon completion of the 2024 Annual Report, which contains the consolidated financial statements, the financial statements will be available to the public on the Niagara Region website:

Annual Reports

(<https://niagararegion.ca/government/budget/past-budgets/default.aspx>)

Alternatives Reviewed

The consolidated financial statements are prepared using PSAS and the annual audit is a requirement of the Municipal Act, therefore no alternatives were reviewed.

Relationship to Council Strategic Priorities

Council Strategic Priority: Effective Region

Objective 1.3 – Deliver fiscally responsible and sustainable core services.

Other Pertinent Reports

CSD 43-2024 Q2 2024 Financial Update

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=a6c5e2bd-d88f-4811-ad69-4050055c83d4&Agenda=Agenda&lang=English&Item=12&Tab=attachments>)

CSD 62-2024 Q3 2024 Financial Update

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=eaafe636-7b8e-4ce4-a2dd-a44dd3535c32&Agenda=Agenda&lang=English&Item=16&Tab=attachments>)

CSD 8-2025 2024 Year-End Results and Transfer Report

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=fcdaca46-5a21-4026-ad32-d0836ea36bef&Agenda=Agenda&lang=English&Item=14&Tab=attachments>)

Prepared by:

Melanie Steele, CPA, CA
Associate Director, Reporting & Analysis
Corporate Services

Recommended by:

Dan Carnegie
Acting Commissioner/Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer

This report was prepared in consultation with Cailyn McLean, Corporate Reporting Supervisor and Melissa Raquion, Director, Financial Management & Planning/Deputy Treasurer.

Appendices

Appendix 1	Draft 2024 Consolidated Financial Statements
Appendix 2	2024 KPMG Audit Findings Report
Appendix 3	Annual Surplus Reconciliation 2024