

Schedule of revenues, expenses and funds available for
distribution

The Regional Municipality of Niagara Court Services

December 31, 2025

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The Regional Municipality of Niagara Court Services December 31, 2025

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Independent Auditors' Report

To those charged with governance of The Regional Municipality of Niagara Court Services

Opinion

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

In our opinion, the accompanying schedule for the year-ended December 31, 2025 is prepared, in all material respects, in accordance with the financial reporting provisions in the Niagara Region Courts Intermunicipal Agreement dated April 26, 2000, and Amending Agreement dated October 13, 2022.

Basis for Opinion

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

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

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

Emphasis of Matter

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

As a result, the schedule may not be suitable for another purpose. Our opinion is not modified as a result of this matter.

Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with the financial reporting provisions in the Niagara Region Courts Intermunicipal Agreement dated April 26, 2000 and Amending Agreement dated October 13, 2022, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Court Services' financial reporting process.

Auditor's Responsibilities for the Audit of the Schedule

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

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

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

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

We also:

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

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

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

[Date]

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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

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Revenue (schedules 1 & 2):			
Offence receipts and other revenue	12,997,120	9,882,539	11,797,805
	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 and Amending Agreement dated October 13, 2022 (the "agreement").

Significant accounting policies are as follows:

Revenues

Revenues are recorded on a cash basis.

Expenses

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

Uncontrollable expenses are recorded on a cash basis.

Capital Assets

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

Transfers to Reserves

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

Employee Future Benefits

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

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

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 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

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
	727,470	1,287,402

3. 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.

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	214,818	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
	1,432,752	1,373,607	1,273,910

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
Communication costs	549	698	949
Facilities costs	589,225	796,985	811,547
	1,061,834	1,250,834	1,206,893

4. Program Support Costs (continued)

Program Support Costs for Automated Enforcement Only:

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

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**The Regional Municipality of Niagara Court Services - Schedule 1
Court Services Schedule of Revenues, Expenses & Funds Available for
Distribution (Excluding Automated Enforcement)
For the Year Ended December 31, 2025**

	2025 Budget	2025 Actual	2024 Actual
Revenues:			
Offence receipts and other revenue	\$ 5,741,800	\$ 6,217,298	\$ 5,635,258
Total revenues	5,741,800	6,217,298	5,635,258
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
	3,987,522	3,909,333	3,658,543
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
	1,355,370	1,438,721	1,496,150
Total expenditures	5,342,892	5,348,054	5,154,694
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)
Funds available for distribution (note 3)	\$ 198,908	\$ 727,470	\$ 301,560

**The Regional Municipality of Niagara Court Services Schedule 2
Court Services Schedule of Revenues, Expenses & Funds Available for
Distribution (Automated Enforcement)
For the Year Ended December 31, 2025**

	2025 Budget	2025 Actual	2024 Actual
Revenues:			
Offence receipts and other revenue	\$ 7,255,320	\$ 3,665,241	\$ 6,162,547
Total revenues	7,255,320	3,655,241	6,162,547
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
	1,499,090	733,809	685,001
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
	1,750,510	730,909	1,226,746
Total expenditures	3,249,601	1,464,718	1,911,746
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)
Funds available for distribution (note 3)	\$ 1,725,030	\$ 1,287,402	\$ 2,996,698