

**TOWNSHIP OF WEST LINCOLN
CORPORATE SERVICES COMMITTEE
MINUTES**

MEETING NO. ONE

February 17, 2026, 6:30 p.m.

Township Administration Building

318 Canborough Street, Smithville, Ontario

Council: Councillor Shelley Bradaric, Chair
Councillor Jason Trombetta
Mayor Cheryl Ganann
Councillor William Reilly
Councillor Joann Chechalk*
Councillor Greg Maychak

Staff: Justin Paylove, Manager, Legislative Services/Clerk
Jessica Dyson, Director, Legal and Legislative Services
Cynthia Summers, Director, Community and Protective Services
Truper McBride, CAO
Katelyn Repovs, Director, Corporate Services/CFO
Tim Hofsink, Fire Chief
Kevin Geoghegan, IT Help Desk Analyst

Absent: Councillor Mike Rehner, notification provided

Attendees: John Ganann
Carlos Alvarez*

Attended part-time*

1. CHAIR - Councillor Shelley Bradaric

Prior to commencing with the Corporate Services Committee meeting agenda, Chair Bradaric will note the following:

1. Comments can be made from members of the public for a matter that is on the agenda by advising the Chair during the "Request to Address an Item on the Agenda" Section of the agenda.
2. The public may submit written comments for matters that are on the agenda to jpaylove@westlincoln.ca before 4:30 p.m. on the day of the meeting for consideration by the Committee. Comments received after 4:30 p.m. on the day of the Committee meeting will be considered at the following Council meeting. Comments submitted are included in the record.
3. This meeting will be livestreamed as well as recorded and available on the Township's website.

2. LAND ACKNOWLEDGEMENT STATEMENT

The Township of West Lincoln, being part of Niagara Region is situated on treaty land. This land is steeped in the rich history of the First Nations such as the Hatiwendaronk, the Haudenosaunee, and the Anishinaabe, including the Mississaugas of the Credit First Nation. There are many First Nations, Métis, and Inuit from across Turtle Island that live and work in Niagara today. The Township of West Lincoln, as part of the Regional Municipality of Niagara, stands with all Indigenous people, past and present, in promoting the wise stewardship of the lands on which we live.

3. CHANGE IN ORDER OF ITEMS ON AGENDA

There were no change in order of items on agenda

4. DISCLOSURE OF PECUNIARY INTEREST AND/OR CONFLICT OF INTEREST

There were no disclosure of pecuniary interest and/or conflict of interest

5. APPOINTMENTS

5.1 KPMG LLP, Carlos Alvarez, Lead Audit Engagement Partner

Re: 2025 Audit Planning Report

POWERPOINT PRESENTATION

Carlos Alvarez, Lead Audit Engagement Partner gave a brief presentation in regard to the 2025 Audit Planning Report.

6. REQUEST TO ADDRESS ITEMS ON THE AGENDA

NOTE: Procedural By-law Section 10.13(5) – General Rules

One (1) hour in total shall be allocated for this section of the agenda and each

individual person shall only be provided with **five (5) minutes** to address their issue (some exceptions apply). A response may not be provided and the matter may be referred to staff.

Chair to inquire if there are any members of the public present who wish to address any items on the Corporate Services Committee agenda.

7. COMMUNICATIONS

7.1 ITEM CS01-26

FACS Niagara Foundation

Re: 5th Annual Mountainview LemonAID Day for FACS Niagara -
Saturday, June 13, 2026

Moved By Councillor William Reilly

Seconded By Mayor Cheryl Ganann

1. That the Council of the Township of West Lincoln hereby supports Family and Children's Services (FACS) Niagara and their upcoming fundraising and community event being Mountainview LemonAID Day to be held on Saturday June 13, 2026; and,
2. That, Administration be directed to promote the upcoming fundraiser and community event by sharing the message on Township Social Media platforms.

Carried

7.2 ITEM CS-02-26

West Lincoln Age Friendly Advisory Committee (WLAFAC)

Re: Minutes - January 9, 2026

Moved By Councillor Jason Trombetta

Seconded By Councillor Joann Chechalk

1. That, the West Lincoln Age Friendly Advisory Committee Minutes dated January 9, 2026, be received.

Carried

7.3 ITEM CS-03-26

Manager, Legislative Services/Clerk (Justin Paylove)
Re: Memo - Drainage Agreement (Snippe)
FOR INFORMATION

8. STAFF REPORTS

8.1 ITEM CS04-26

Fire Chief (Tim Hofsink)
Re Information Report - WLFD-02-2026 - Monthly Update – January 2026

Moved By Mayor Cheryl Ganann
Seconded By Councillor William Reilly

1. That, Information Report titled “WLFD-02-2026 - Monthly Update - January 2026”, dated February 17, 2026, be received; and,
2. That, Budget Amendment BA2026-03, in the amount of \$32,000, to recognize the Ontario Fire Protection Grant, to be used towards personal protective and decontamination equipment, be approved by Council.

Carried

8.2 ITEM CS05-26

Director, Legal and Legislative Services (Jessica Dyson)
Re: Information Report LLS-02-2026 – By-law Enforcement Services
Year-End Update

Moved By Councillor William Reilly
Seconded By Councillor Greg Maychak

1. That, Information Report LLS-02-2026 titled, “By-law Enforcement Services Year-End Update”, dated February 17, 2026, be received.

Carried

8.3 ITEM CS06-26

Manager, Legislative Services/Clerk (Justin Paylove)
Re: Recommendation Report LLS-01-2026 - Amendment to Delegated
Authority – Authority to Pursue Partnerships through fee Waivers

Moved By Mayor Cheryl Ganann

Seconded By Councillor Joann Chechalk

1. That, Recommendation Report LLS-01-2026 titled “Amendment to Delegated Authority – Authority to Pursue Partnerships through fee waivers” dated February 17, 2026 be received; and,
2. That, administration return with an amended by-law to the February 23, 2026 Council Meeting.

Carried

Councillor Chechalk left the meeting at approximately 7:40 p.m.

8.4 ITEM CS07-26

Director, Corporate Services/CFO (Katelyn Repovs)

Re: Information Report T-03-2026 - Ontario Regulation 284/09 for 2026 Budget Reporting

Councillor Joann Chechalk left the meeting at 7:36 pm.

Moved By Mayor Cheryl Ganann

Seconded By Councillor Greg Maychak

1. That, Information Report T-03-2026, titled “Ontario Regulation 284/09 for 2026 Budget Reporting”, dated February 17, 2026, be received for information.

Carried

8.5 ITEM CS08-26

Director, Corporate Services/CFO (Katelyn Repovs) and Director, Infrastructure (Mike DiPaola)

Re: Recommendation Report T-02-2026 - Update to Utility Billing Practice for Private Multi-Residential Developments

Moved By Councillor William Reilly

Seconded By Councillor Greg Maychak

1. That, Recommendation Report T-02-2026, titled “Update to Utility Billing Practice for Private Multi-Residential Developments” dated February 17, 2026 is received; and,
2. That, Administration be directed to amend the water and wastewater fixed charges billing methodology for private multi-residential developments serviced by a single water meter within a

chamber or pit, as outlined in this Report, effective January 1, 2026; and,

3. That, By-law 2026-05 be passed by Council at the February 23, 2026 Council meeting, to amend By-law 2025-72, Consolidated Fees and Charges.

Carried

9. OTHER BUSINESS

9.1 ITEM CS09-26

Members of Committee

Re: Verbal Updates from Members of Boards and Committees - If required

9.2 ITEM CS10-26

Members of Council

Re: Other Business Items of an Informative Nature

Mayor Ganann

Re: Thanked Staff - Family Day

- Thanked Fire Department - Pancake Breakfast
- Hockey Game

Councillor Maychak

Re: Thanked Fire Department - Pancake Breakfast raised over \$1,000

- Thanked Partners

10. NEW BUSINESS

NOTE: Only for items that require immediate attention/direction and must first approve a motion to introduce a new item of business. (Motion Required)

11. CONFIDENTIAL MATTERS

There were no confidential matters.

12. DISCLOSURE OF CONFIDENTIAL MATTERS

13. ADJOURNMENT

The Chair declared the meeting adjourned at the hour of 7:45 P.M.

JUSTIN PAYLOVE, MANAGER,
LEGISLATIVE SERVICES/CLERK

COUNCILLOR SHELLEY
BRADARIC, CHAIR



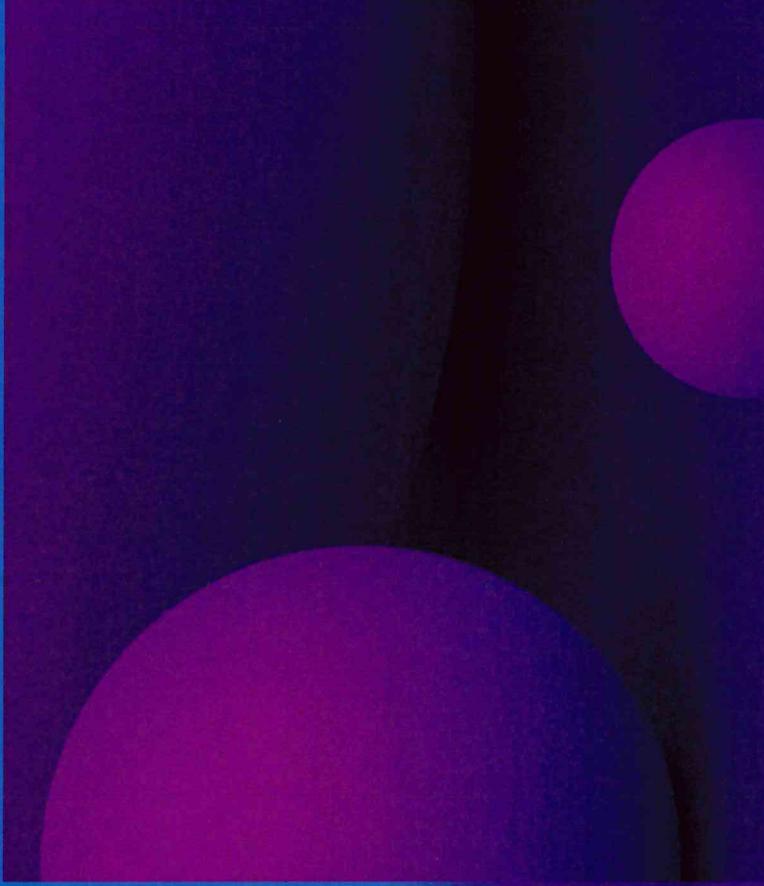
The Corporation of the Township of West Lincoln

Audit Report
for the Planning for the year ending
December 31, 2025

KPMG LLP

Prepared as of February 9, 2026 for presentation on February 17,
2026

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement



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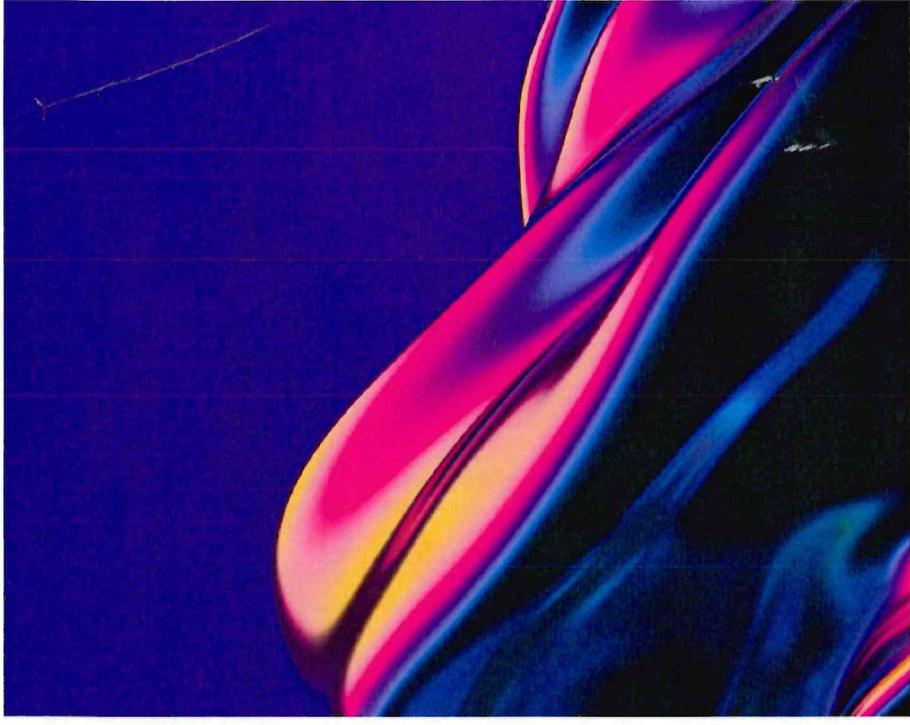


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Digital use information

This Audit Planning Report is also available as a "hyper-linked" PDF document.

If you are reading in electronic form (e.g. in "Adobe Reader" or "Board Books"), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

Audit highlights

No matters to report |
 Matters to report – see link for details

Scope

Our audit of the consolidated financial statements (“financial statements”) of The Corporation of the Township of West Lincoln (“the Township”) as of and for the period ending December 31, 2025, will be performed in accordance with Canadian generally accepted auditing standards.

[Engagement letter](#)

Audit strategy

Materiality \$646,000 |
 Involvement of others

Audit strategy- Group audit

Total assets 100% |
 Total revenue 100% |
 Involvement of non-KPMG firms

Risk assessment

Risk of management override of controls |
 Other significant risks |
 Presumed risk of fraudulent revenue recognition |
 Other risks of material misstatement

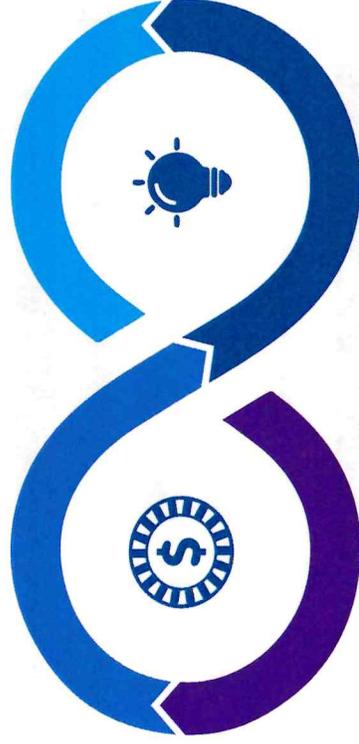
- Revenue Recognition
- Operating expenditures including payroll
- Tangible capital assets
- Employee benefit obligation
- Financial instruments
- Investment in Peninsula West Power Inc. (PWPI)
- Investments

The purpose of this report is to assist you, as a member of the Committee, in your review of the plan for our audit of the financial statements. This report is intended solely for the information and use of Management, the Committee, and the Board of Directors and should not be used for any other purpose or by any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report to the Committee has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.





Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgment**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.

Group audit – Scoping

We respond to identified and assessed risks of material misstatement to the group by performing further audit procedures.

Further audit procedures to be performed by:	Total assets	Total revenue
Total group auditor	100% 	100% 
Total tested	100% 	100% 
Total consolidated	100% 	100% 

Entity Name	Change in Scope?	Component Materiality	Full-Scope Standalone Audit?
The Corporation of the Township of West Lincoln (non-consolidated)	Consistent with Prior Period	\$581,100	Yes
Township of West Lincoln Public Library Board	Consistent with Prior Period	\$25,000	Yes
Township of West Lincoln Trust Funds	Consistent with Prior Period	\$600	Yes

Risk assessment summary

Our planning begins with an assessment of risks of material misstatement in your financial statements.

We draw upon our understanding of the Company and its environment (e.g. the industry, the wider economic environment in which the business operates, etc.), our understanding of the Company's components of its system of internal control, including our business process understanding.

	Risk of fraud	Risk of error	PY risk rating
● Management Override of Controls	✓		Significant
● Revenue recognition		✓	Base – Fraud risk rebutted
● Asset Retirement Obligations		✓	Base
● Operating expenditures, including payroll		✓	Base
● Tangible capital assets		✓	Base
● Employee benefit obligation		✓	Base
● Financial Instruments		✓	Base
● Investment in Peninsula West Power Inc. (PWPI)		✓	Base
● Investments		✓	Base

● SIGNIFICANT RISK ● PRESUMED RISK OF MATERIAL MISSTATEMENT ● OTHER RISK OF MATERIAL MISSTATEMENT



Significant risks



Fraud risk over revenue recognition (presumed significant risk of material misstatement)

RISK OF
FRAUD

Presumption
of the risk of fraud
over revenue
recognition

Why is it significant?

This is a presumed fraud risk under Canadian Auditing Standards.

There are generally pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition when performance is measured in terms of year-over-year revenue growth or profit.

Our planned response

The presumed risk has been rebutted for all revenues earned by the Township. Revenues earned from tax levies, user fees, and grants are not subject to significant judgment regarding revenue recognition. As a result, we have concluded there is not a significant risk of fraud relating to revenue recognition.

We have assessed revenue recognition as a risk of error and as such will conduct procedures on revenue recognition.

Advanced technologies

Our KPMG Clara Journal Entry Analysis Tool assists in the performance of detailed journal entry testing based on engagement-specific risk identification and circumstances. Our tool provides auto-generated journal entry population statistics and focusses our audit effort on journal entries that are riskier in nature.



[Click to learn more](#)



Other risks of material misstatement



Revenue recognition - Government grants and development charges, including related deferrals – risk of error



Base

We will perform substantive procedures over government grants and development charges to address the relevant assertions and ensure appropriate deferral at December 31, 2025

Operating expenditures, including payroll and related accruals



Base

We will perform substantive procedures over operating expenditures and payroll to address the relevant assertions including the use of Data & Analytical procedures.

Tangible capital assets



Base

We will perform substantive procedures to address the relevant assertions including testing of significant additions and disposals and assessing the status of any capital projects identified as work-in-process.

We will perform procedures over the fair value of contributed assets and recognition as revenue.

We will agree fair value estimates of contributed tangible capital assets to supporting third party documentation or estimated by the Township.

Other risks of material misstatement



We will perform substantive procedures to address any changes in the estimate year over year, such as any inflation, remediation, or disposal impacts.



Required inquiries of Council

We kindly request that any concerns be raised to KPMG by May 1, 2026.



Inquiries regarding risk assessment, including fraud risks

- What are the views of Council about fraud risks, including management override of controls, in the Township? And have you taken any actions to respond to any identified fraud risks?
- Is the Council aware of, or has identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?
 - If so, have the instances been appropriately addressed and how have they been addressed?
- How does Council exercise oversight over management's assessment of fraud risk and the establishment of controls to address/mitigate fraud risks?
- Is Council aware of any instances of actual or possible violations of laws and regulations, including illegal acts (irrespective of materiality threshold)?
- Is Council aware of any additional matters relevant to the audit?



Inquiries regarding processes

- Is Council aware of or have they received tips or complaints regarding the Township's financial reporting (including those received through an internal whistleblower program, if such programs exist)? If so, what was the responses to such tips and complaints from Council?



Inquires regarding related parties and significant unusual transactions

- Is Council aware of any instances where the Township entered into any significant unusual transactions?
- What is Council's understanding of the Township's relationships and transactions with related parties that are significant to the Township?
- Is Council concerned regarding relationships or transactions with related parties? If so, what is the substance of those concerns?



Key milestones and deliverables

	Dec 2025	Jan – Apr	May – June 2026
	Planning & Risk Assessment <ul style="list-style-type: none"> • Debrief prior year with management • Kick-off with management • Planning and initial risk assessment procedures, including: <ul style="list-style-type: none"> • Involvement of others • Identification and assessment of risks of misstatements and planned audit response for certain processes • Obtain and update an understanding of the Township and its environment • Inquire of management and others within the Township about risks of material misstatement 	Risk assessment & Interim work <ul style="list-style-type: none"> • Evaluate the Entity's components of internal control, other than the control activities component • Perform process walkthroughs for certain business processes • Identify process risk points for certain business processes • Complete interim data extraction and processing activities • Perform interim substantive audit procedures • Complete initial risk assessment • Communicate audit plan • Identify IT applications and environments 	Final Fieldwork & Reporting <ul style="list-style-type: none"> • Complete year-end data extraction and processing activities • Perform remaining substantive audit procedures • Evaluate results of audit procedures, including control deficiencies and audit misstatements identified • Review financial statement disclosures • Present audit results and perform required communications • Issue audit report on financial statements • Closing meeting with management • Filing date: Issue audit reports on financial statements

Our commitment to delivering audit quality

We define 'audit quality' as being the outcome when:

- audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality management; and
- all of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders. Businesses are integrating technology in ways once unimaginable. Geopolitical changes and inflationary pressures continue to drive uncertainty, and businesses need to take action to respond to societal threats like climate change.

The pace and scale of change only strengthens our resolve to ensure the quality, consistency and adaptability of our services are fit for this new future. Audit and assurance quality remains the highest priority at KPMG.

Through sustained innovation, we aim to consistently deliver superior audit quality. Across the global organization:

- KPMG firms have implemented a consistent risk-based approach to our system of quality management to drive audit and assurance quality, enabling us to meet the requirements of the International Standard on Quality Management 1 (ISQM 1).
- We are utilising powerful technologies on audit and assurance engagements, including artificial intelligence, and leveraging our alliances with technology leaders such as Microsoft to further enhance quality and provide even more value through deeper analysis of businesses, no matter their size.
- We believe the same level of rigour, quality, consistency and trust that is applied to financial statement information by companies should also apply to ESG reporting. Therefore, across the global organization we have deployed an assurance methodology, KPMG Clara workflow and learning tools to upskill and build teams to provide assurance on ESG reporting that helps our clients build a more sustainable future.

We encourage you to read our Transparency Report to learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:

 [KPMG Canada Transparency Report](#)



How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority.

We have strengthened the consistency and robustness of our system of quality management to meet the requirements of ISQM 1 (CSQM 1), issued by the International Audit and Assurance Standards Board. Foundational for quality management, KPMG's globally consistent approach to ISQM 1 drives compliance with the standard and our efforts to strengthen trust and transparency with clients, the capital markets and the public we serve.

Aligned with ISQM 1 (CSQM 1), our SoQM meets the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements.

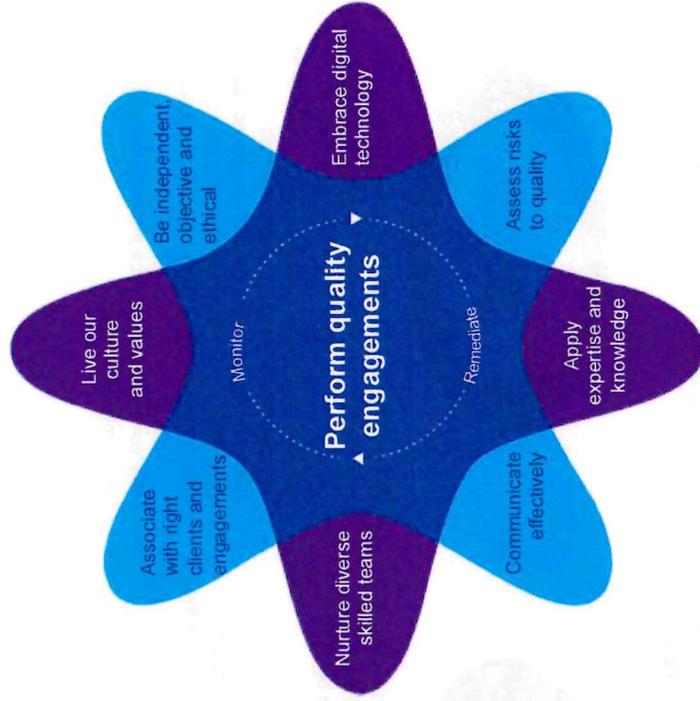
Our **Global Quality Framework** outlines how we deliver quality and how every KPMG professional contributes to its delivery.



'Perform quality engagements' sits at the core, along with our commitment to continually monitor and remediate to fulfil our quality drivers.



Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.



Doing the right thing. Always.



Independence: Shared responsibilities

Auditor independence is a shared responsibility and most effective when management, audit committees, and audit firms work together in considering compliance with relevant independence rules. In order for KPMG to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and KPMG each play an important role. We apply the following ethical requirements, including independence requirements, in:

- the rules of professional conduct / code of ethics applicable to the practice of public accounting issued by various professional accounting bodies in Canada (“CPA code”) that are relevant to audits of financial statements of reporting issuers; and
- the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA independence rule”) that are relevant to audits of financial statements of public interest entities.



The firm maintains a system of quality control over compliance with independence rules and firm policies. Timely information before the effective date of transactions or other business changes is necessary to effectively maintain the firm’s independence in relation to:

- New related entities
- Any former KPMG professional who are directors, officers, or employee in a position to exert significant influence over the preparation of the client’s accounting records or the financial statements.

- The CPA Code and IESBA independence rules require the audit committee to pre-approve all audit and permitted non-audit services to be provided by the auditor.
- IESBA also has requirements to obtain the audit committee’s concurrence with the provision of non-assurance services and the auditor’s conclusion on the impact to independence.

- We are required report to the audit committee all relationships that may reasonably be thought to bear on our independence, including fees charged, and discuss the potential effects of such relationships on our independence. We are also required report to the related safeguards that have been applied, as applicable, to eliminate identified threats to independence or reduce them to an acceptable level.
- This communication will be provided during our year-end communications.

Request for pre-approval of services



We are presenting the following services for pre-approval by the Committee. We will inform the Committee on a timely basis of any services performed pursuant to pre-approval previously granted under the policies and procedures approach.

The services are not prohibited, and threats to our independence, if any, resulting from the provision of the services will be eliminated or reduced to an acceptable level. Further details on the services and the assessment of the potential effects on our independence are included on the slides that follow.

Other Audit services	Country	Legal entity	Fee: CDN (estimated)	Fee structure
Audit of the 2025 Consolidated financial statements	Canada	Consolidated Township	See engagement letter	Fixed





Appendices

A

Engagement letter

B

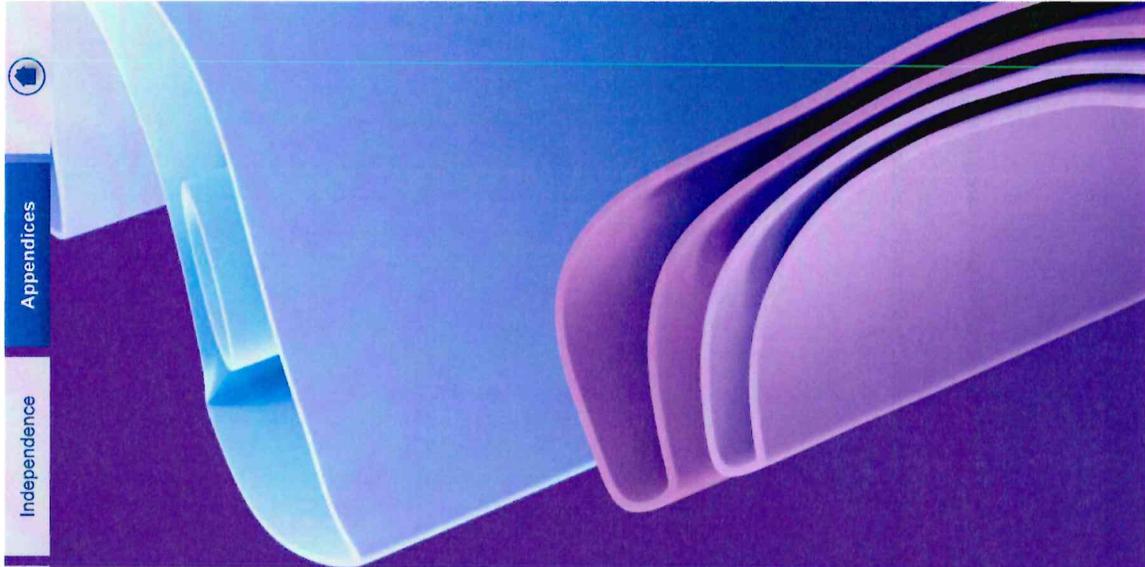
Regulatory communications

C

New accounting/auditing standards

D

Insights





Appendix: Engagement letter

Engagement letter can be provided upon request





Appendix: Regulatory communications



CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Regulatory Oversight Report: 2023 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2024 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2024 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2025 Interim Inspections Results](#)



Appendix: Newly effective and upcoming changes to accounting standards

Standard

Summary and implications

Concepts Underlying Financial Performance

What's new?

- The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.
- The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.

Application: The new Guideline is effective beginning on or after April 1, 2026 with earlier adoption permitted.



Appendix: Newly effective and upcoming changes to accounting standards

Standard

Summary and implications

PS 1202 Financial Statement Presentation

What's new?

- The proposed section PS 1202 Financial statement presentation will replace the current section PS 1201 Financial statement presentation.
- The proposed section includes the following:
 - Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.
 - Separating liabilities into financial liabilities and non-financial liabilities.
 - Restructuring the statement of financial position to present total assets followed by total liabilities.
 - Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).
 - Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called "accumulated other".
 - A new provision whereby an entity can use an amended budget in certain circumstances.
 - Inclusion of disclosures related to risks and uncertainties that could affect the entity's financial position.
 - The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.
 - The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the public private partnership ends.
 - The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure.
 - The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.

Application: PS 1202 Financial statement presentation will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted.



Appendix: Newly effective and upcoming changes to accounting standards

Standard

Summary and implications

Employee Benefits

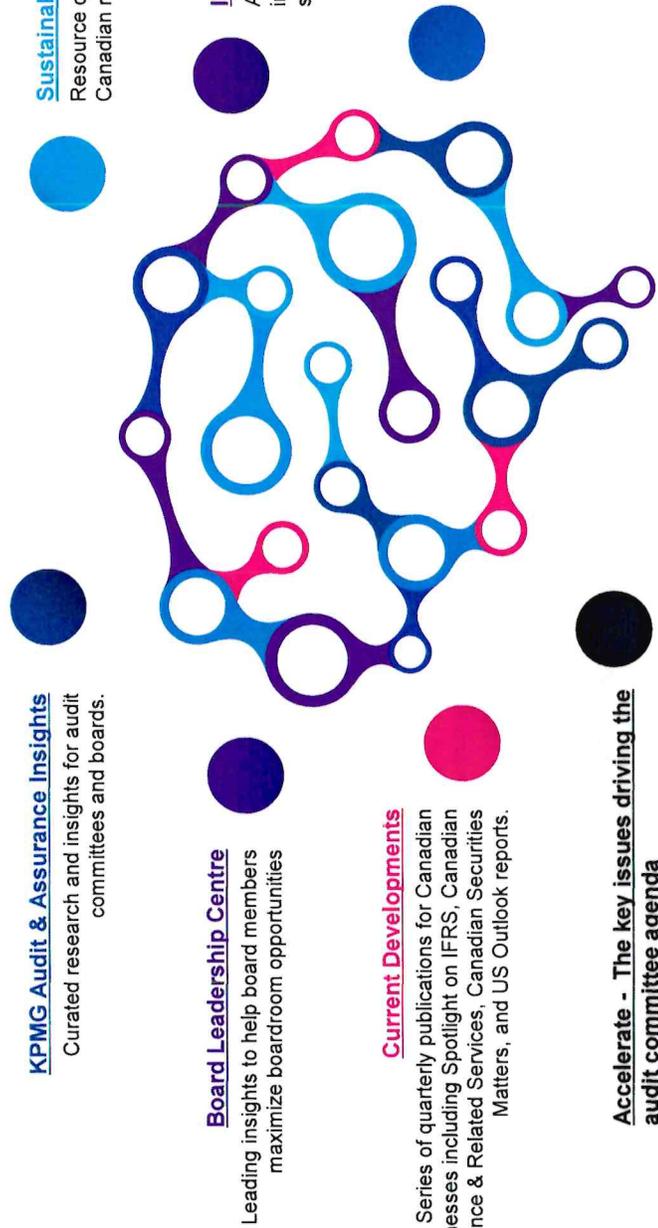
What's new?

- The Public Sector Accounting Board has initiated a review of sections PS 3250 Retirement benefits and PS 3255 Post-employment benefits, compensated absences and termination benefits.
- The intention is to use principles from International Public Sector Accounting Standard 39 Employee benefits as a starting point to develop the Canadian standard.
- Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.
- The proposed section PS 3251 Employee benefits will replace the current sections PS 3250 Retirement benefits and PS 3255 Post-employment benefits, compensated absences and termination benefits. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively.
- This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations.

Application: The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.

Appendix: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, Councils, board of directors and management.



KPMG Audit & Assurance Insights
Curated research and insights for audit committees and boards.

Board Leadership Centre
Leading insights to help board members maximize boardroom opportunities

Current Developments
Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

Accelerate - The key issues driving the audit committee agenda
Discover the most pressing risks and opportunities that face audit committees, boards and management teams.

Sustainability Reporting
Resource centre on implementing the new Canadian reporting standards

IFRS Breaking News
A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

Audit Committee Guide – Canadian Edition
A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.



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