

Financial Report

Township of Wainfleet

2017

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Independent auditor's report

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To the Members of Council, Inhabitants and Taxpayers of the
Corporation of the Township of Wainfleet

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Wainfleet, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Township of Wainfleet as at December 31, 2017, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Port Colborne, Canada
October 2, 2018

Chartered Professional Accountants
Licensed Public Accountants

Township of Wainfleet

Consolidated Statement of Financial Position

As at December 31 2017 2016

Financial assets

Cash and cash equivalents	\$ 2,548,182	\$ 3,140,974
Portfolio investments (Note 2)	34,949	34,301
Taxes receivable	929,027	1,018,239
Tile drain loans receivable	20,292	30,871
Accounts receivable	<u>865,533</u>	<u>629,277</u>
	<u>4,397,983</u>	<u>4,853,662</u>

Liabilities

Accounts payable and accrued liabilities	959,778	1,170,298
Other liabilities	501,653	438,189
Deferred revenue for development purposes (Note 4)	323,613	242,869
Long term debt (Note 5)	175,819	164,563
Employee benefit obligations (Notes 6 and 14)	<u>132,515</u>	<u>134,713</u>
	<u>2,093,378</u>	<u>2,150,632</u>

Net financial assets

	<u>2,304,605</u>	<u>2,703,030</u>
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Non-financial assets

Tangible capital assets (Pages 21 and 22)	14,890,943	13,114,381
Other assets	<u>136,692</u>	<u>129,326</u>
	<u>15,027,635</u>	<u>13,243,707</u>

Accumulated surplus (Note 7)

	<u>\$ 17,332,240</u>	<u>\$ 15,946,737</u>
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Contingencies (Note 18)

Approved by

Chief Administrative Officer

Treasurer

See accompanying notes and schedules to the consolidated financial statements

Township of Wainfleet

Consolidated Statement of Operations

For the Year Ended December 31, 2017

	Budget <u>2017</u> (Note 16)	Actual <u>2017</u>	Actual <u>2016</u>
Revenue			
Taxation (Note 9)	\$ 5,241,059	\$ 5,234,895	\$ 5,072,343
User charges (Note 11)	670,687	688,301	681,042
Government transfers (Note 12)	1,279,660	1,010,477	1,186,993
Other (Note 13)	<u>372,600</u>	<u>1,397,552</u>	<u>408,639</u>
	<u>7,564,006</u>	<u>8,331,225</u>	<u>7,349,017</u>
Expenses			
General government	1,487,738	1,374,023	1,365,075
Protection to persons and property	1,128,476	1,173,731	1,079,965
Transportation services	2,738,053	2,444,183	2,451,321
Health services	237,147	257,057	289,131
Social and family services	26,642	21,033	19,127
Recreation and culture services	1,305,595	1,222,511	1,088,457
Planning and development	<u>330,207</u>	<u>453,184</u>	<u>546,265</u>
	<u>7,253,858</u>	<u>6,945,722</u>	<u>6,839,341</u>
Annual surplus	310,148	1,385,503	509,676
Accumulated surplus (Note 7)			
Beginning of year	<u>15,946,737</u>	<u>15,946,737</u>	<u>15,437,061</u>
End of year	<u>\$ 16,256,885</u>	<u>\$ 17,332,240</u>	<u>\$ 15,946,737</u>

See accompanying notes and schedules to the consolidated financial statements

Township of Wainfleet
Consolidated Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2017

	Budget <u>2017</u> (Note 16)	Actual <u>2017</u>	Actual <u>2016</u>
Annual surplus	\$ 310,148	\$ 1,385,503	\$ 509,676
Amortization of tangible capital assets	1,171,739	1,172,421	1,013,953
Acquisition of tangible capital assets	(4,746,400)	(3,084,657)	(2,309,853)
Write-downs on tangible capital assets	-	21,737	-
Proceeds on sale of tangible capital assets	-	-	28,844
Loss (gain) on sale of tangible capital assets	-	113,937	(24,867)
	<u>(3,264,513)</u>	<u>(391,059)</u>	<u>(782,247)</u>
Use (acquisition) of inventory	-	567	(446)
(Acquisition) use of prepaid expenses	-	(7,933)	66,346
	-	(7,366)	65,900
Decrease in net financial assets	(3,264,513)	(398,425)	(716,347)
Net financial assets (debt)			
Beginning of year	<u>2,703,030</u>	<u>2,703,030</u>	<u>3,419,377</u>
End of year	<u>\$ (561,483)</u>	<u>\$ 2,304,605</u>	<u>\$ 2,703,030</u>

See accompanying notes and schedules to the consolidated financial statements

Township of Wainfleet

Consolidated Statement of Cash Flows

For the Year Ended December 31

2017

2016

Increase (decrease) in cash and cash equivalents

Operating activities		
Annual surplus	\$ 1,385,503	\$ 509,676
Non-cash items		
Amortization	1,172,421	1,013,953
Write-downs on tangible capital assets	21,737	-
Decrease in taxes receivable	89,212	183,098
Decrease in tile drain loans receivable	10,579	9,981
Increase in accounts receivable	(236,256)	(263,186)
(Decrease) increase in accounts payable and accrued liabilities	(210,520)	528,363
Increase in other liabilities	63,464	42,134
Increase in deferred revenue for development purposes	80,744	10,054
(Increase) decrease in other assets	<u>(7,366)</u>	<u>65,900</u>
	<u>2,369,518</u>	<u>2,099,973</u>
Capital activities		
Proceeds on sale of tangible capital assets	-	28,844
Loss (gain) on disposal of tangible capital assets	113,937	(24,867)
Acquisition of tangible capital assets	<u>(3,084,657)</u>	<u>(2,309,853)</u>
	<u>(2,970,720)</u>	<u>(2,305,876)</u>
Financing activities		
Issue of long term debt	89,891	-
Repayment of long term debt	(78,635)	(67,704)
(Decrease) increase in employee benefit obligations	<u>(2,198)</u>	<u>14,113</u>
	<u>9,058</u>	<u>(53,591)</u>
Investing activities		
Increase in portfolio investments	<u>(648)</u>	<u>(666)</u>
Net decrease in cash and cash equivalents	(592,792)	(260,160)
Cash and cash equivalents		
Beginning of year	<u>3,140,974</u>	<u>3,401,134</u>
End of year	<u>\$ 2,548,182</u>	<u>\$ 3,140,974</u>
<hr/>		
Cash and cash equivalents consist of:		
Cash on hand	\$ 1,750	\$ 1,750
Balances with banks	<u>2,546,432</u>	<u>3,139,224</u>
	<u>\$ 2,548,182</u>	<u>\$ 3,140,974</u>

See accompanying notes and schedules to the consolidated financial statements

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

1. Significant accounting policies

Management responsibility

The consolidated financial statements of the Township of Wainfleet ("Municipality") are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards. The preparation of the 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 significant accounting policies used are as follows:

(a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, non-financial assets, revenues, expenses and changes in accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality. In addition to general government tax-supported operations, they include the following:

Wainfleet Public Library Board

Interdepartmental and organizational transactions and balances are eliminated.

The following joint local board is proportionally consolidated:

Niagara Central Airport Commission (Joint Board)

Related party transactions are eliminated (Note 17).

The statements exclude trust assets and activities that are administered for the benefit of external parties (Note 15).

(b) Basis of accounting

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting records revenues in the period they are earned and measurable and expenses in the period the goods and services are acquired and a liability is incurred.

(c) Cash and cash equivalents

Cash and cash equivalents are represented by cash on hand, cash on deposit in chartered banks and investments that mature within three months.

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

1. Significant accounting policies (continued)

(d) Portfolio investments

Portfolio investments are valued at the lower of cost and market value. Interest income is reported as revenue in the period earned.

(e) Tile drain loans receivable

Tile drain loans are issued to landowners at the same terms as the loans the Township receives from the Region of Niagara.

(f) Deferred revenue

Receipts that are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenses are incurred, restricted revenues are brought into revenue. Revenues received in advance of expenses that will be incurred in a later period are deferred until they are earned by being matched against those expenses.

(g) Employee future benefits

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements through service. Vacation entitlements are accrued for as entitlements are earned.

(h) Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenses in the acquisition, construction, development and/or betterment of the asset required to install the asset at the location and in the condition necessary for its intended use. Contributed tangible capital assets are capitalized at their estimated fair value upon acquisition.

The Municipality capitalizes interest as part of the costs of its capital assets.

Works of art for display in municipal property are not included as capital assets. The works of art are held for exhibition, educational and historical interest. Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The cost of art is not determinable or relevant to their significance. No valuation of the collection has been conducted or disclosed in the consolidated financial statements.

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits incidental to ownership are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Amortization is calculated on a straight-line basis to write-off the net cost of each asset over its estimated useful life for all classes except land. Land is considered to have an infinite life without amortization. Residual values of assets are assumed to be zero with any net gain or loss arising from the disposal of assets recognized in the Consolidated Statement of Operations as "other revenue".

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

1. Significant accounting policies (continued)

(h) Tangible capital assets (continued)

<u>Classification</u>	<u>Useful Life</u>
Land improvements	10 to 50 years
Buildings	20 to 50 years
Machinery and equipment	4 to 20 years
Infrastructure	5 to 50 years
Vehicles	10 to 20 years

Full year amortization is charged in the year of acquisition and no amortization is taken in year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(i) Inventories

Inventories held for consumption are recorded at the lower of cost and net realizable value.

(j) Contaminated sites liability

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- an environmental standard exists
- contamination exceeds the environmental standard
- the organization is directly responsible or accepts responsibility for the liability
- future economic benefits will be given up, and
- a reasonable estimate of the liability can be made

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(k) Reserves for future expenses

Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes.

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

1. Significant accounting policies (continued)

(l) Revenue recognition

i) Taxation

Property tax billings are prepared by the Municipality based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Council, incorporating amounts to be raised for local services and amounts the Municipality is required to collect on behalf of the Region of Niagara and the Province of Ontario in respect of education taxes. Realty taxes are billed based on the assessment rolls provided by MPAC. Taxation revenues are recorded at the time tax billings are issued.

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary roll is received, the Municipality determines the taxes applicable and renders supplementary tax billings. Assessments of the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with the Region of Niagara and school boards, as appropriate.

ii) User charges

User charges are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

iii) Government transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

iv) Other

Other revenue is recorded when it is earned and collection is reasonably assured.

v) Investment income

Investment income earned on operating surplus funds and reserves and reserve funds (other than obligatory reserve funds) are recorded as revenue in the period earned. Investment income earned on obligatory reserve funds are recorded directly to each respective fund balance and forms part of the deferred revenue – obligatory reserve funds balance.

(m) Region and school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the Region of Niagara are not reflected in the accumulated surplus of these consolidated financial statements.

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

1. Significant accounting policies (continued)

(n) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards 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 reporting period. Significant estimates relate to the allowance for accrued liabilities, employee future benefits, contaminated sites and useful lives of tangible capital assets. Actual results could differ from those estimates.

2. Portfolio investments

Portfolio investments consist of Municipal Government Bonds and Canadian Government Bonds. Portfolio investments reported on the Consolidated Statement of Financial Position have a market value of \$ 38,629 (2016 - \$ 37,665).

3. Credit facilities

The Municipality has an authorized operating line of credit due on demand of \$ 1,550,000 bearing interest at prime less 0.375% to assist with regular ongoing working capital requirements. As at December 31, 2017, \$ Nil has been drawn on the operating line. The operating line is secured by a borrowing by-law containing a pledge of revenues.

4. Deferred revenue for development purposes

	<u>2017</u>	<u>2016</u>
Lot levies and subdivider contributions	\$ 41,128	\$ 40,409
Development charges	<u>282,485</u>	<u>202,460</u>
	<u>\$ 323,613</u>	<u>\$ 242,869</u>
The deferred revenue is made up of the following:		
Balance, beginning of year	\$ 242,869	\$ 232,815
Contributions from Development Charges Act	79,638	58,837
Interest earned	1,106	1,217
Transfer to operations	<u>-</u>	<u>(50,000)</u>
Balance, end of year	<u>\$ 323,613</u>	<u>\$ 242,869</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

5. Long term debt 2017 2016

(a) The balance of net long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

Long term debt incurred by the Municipality	\$ 145,275	\$ 119,537
Capital lease obligations	10,252	14,155
Long term debt issued by the Region of Niagara which the Municipality has assumed responsibility for the payment of principal and interest. The Municipality is contingently liable for these long term debts related to tile drainage and shoreline property assistance loans	<u>20,292</u>	<u>30,871</u>
Net long term debt	<u>\$ 175,819</u>	<u>\$ 164,563</u>

(b) The net long term debt:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>2017</u>	<u>2016</u>
Excavator	4.50	2018	\$ 20,021	\$ 39,180
Fire truck	4.50	2020	58,687	76,589
Pickup truck	4.00	2017	-	3,768
Streetlights	2.00	2020	54,449	-
Airport capital improvements	2.00	2019	12,118	-
Leased equipment - photocopiers	Various	2018-2019	10,252	14,155
Tile drains	6.00	2018-2021	<u>20,292</u>	<u>30,871</u>
			<u>\$ 175,819</u>	<u>\$ 164,563</u>

(c) Principal repayments in each of the next four years are due as follows:

2018	\$ 71,375
2019	52,883
2020	46,037
2021	5,524

(d) Interest paid during the year amounted to \$ 10,360 (2016 - \$ 11,894).

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

6. Employee benefit obligations	<u>2017</u>	<u>2016</u>
Post-employment benefits	<u>\$ 132,515</u>	<u>\$ 134,713</u>

Employees eligible to retire under the OMERS retirement provisions are eligible to receive medical and life insurance benefits to the age of sixty-five. The Municipality pays the total premiums for such benefits.

The post-employment benefits obligation is calculated using the average age and average service life of the applicable employees. The obligation is calculated using an extrapolation of current medical and life insurance premiums and estimated benefits to be paid to current retirees.

The Municipality's obligation under the post-employment provision of employment agreements will be funded out of future revenue.

7. Accumulated surplus	<u>2017</u>	<u>2016</u>
Consists of:		
Surpluses (deficits)		
Township	\$ (1,184,395)	\$ (929,991)
Library	32,685	7,179
Niagara Central Airport Commission (Note 17)	<u>(8,850)</u>	<u>6,519</u>
	<u>(1,160,560)</u>	<u>(916,293)</u>
Investment in tangible capital assets	<u>14,890,943</u>	<u>13,114,381</u>
Unfunded:		
Long term debt	(175,819)	(164,563)
Employee benefit obligations	<u>(132,515)</u>	<u>(134,713)</u>
	<u>(308,334)</u>	<u>(299,276)</u>
Reserves and reserve funds (Note 8)	<u>3,910,191</u>	<u>4,047,925</u>
	<u>\$ 17,332,240</u>	<u>\$ 15,946,737</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

8. Reserves and reserve funds balances	<u>2017</u>	<u>2016</u>
Reserves set aside for specific purposes by Council		
Working capital	\$ 800,000	\$ 800,000
Building permits	85,876	120,283
Insurance	160,000	160,000
Winter control	150,000	150,000
Elections	41,432	42,500
Capital expenses	<u>2,669,812</u>	<u>2,773,689</u>
	3,907,120	4,046,472
Reserve funds		
Library donations	<u>3,071</u>	<u>1,453</u>
	<u>\$ 3,910,191</u>	<u>\$ 4,047,925</u>

9. Taxation	Budget <u>2017</u>	Actual <u>2017</u>	Actual <u>2016</u>
Real property	\$ 12,601,491	\$ 12,730,561	\$ 12,403,247
From other governments			
Payments in lieu of taxes	<u>15,000</u>	<u>29,945</u>	<u>32,789</u>
	<u>12,616,491</u>	<u>12,760,506</u>	<u>12,436,036</u>
Less: taxation collected on behalf of			
Region of Niagara (Note 10)	5,592,680	5,672,747	5,506,124
School boards (Note 10)	<u>1,782,752</u>	<u>1,852,864</u>	<u>1,857,569</u>
	<u>7,375,432</u>	<u>7,525,611</u>	<u>7,363,693</u>
Net taxes available for municipal purposes	<u>\$ 5,241,059</u>	<u>\$ 5,234,895</u>	<u>\$ 5,072,343</u>
Residential and farm	\$ 4,926,624	\$ 4,895,931	\$ 4,746,751
Commercial	261,197	275,323	272,736
Industrial	<u>53,238</u>	<u>63,641</u>	<u>52,856</u>
Net taxes available for municipal purposes	<u>\$ 5,241,059</u>	<u>\$ 5,234,895</u>	<u>\$ 5,072,343</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

10. Collections for the Region of Niagara and school boards

Total taxation, user charges and development charges received or receivable on behalf of the Region of Niagara and the school boards were as follows:

	<u>2017</u>	<u>2016</u>
Region of Niagara	\$ 5,672,747	\$ 5,506,124
School boards	<u>1,852,864</u>	<u>1,857,569</u>
	<u>\$ 7,525,611</u>	<u>\$ 7,363,693</u>

The Municipality is required to levy and collect taxes on behalf of the Region of Niagara and the school boards. These taxes are recorded as revenue at the amounts levied. The taxes levied under the amounts requisitioned are recorded as accounts receivable.

11. User charges	Budget <u>2017</u>	Actual <u>2017</u>	Actual <u>2016</u>
Operating			
Fees and service charges	\$ 474,187	\$ 406,659	\$ 414,949
Licences and permits	<u>196,500</u>	<u>277,228</u>	<u>204,873</u>
	<u>670,687</u>	<u>683,887</u>	<u>619,822</u>
Capital			
Contributions from developers	-	-	50,000
Special charges	<u>-</u>	<u>4,414</u>	<u>11,220</u>
	<u>-</u>	<u>4,414</u>	<u>61,220</u>
	<u>\$ 670,687</u>	<u>\$ 688,301</u>	<u>\$ 681,042</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

12. Government transfers	Budget <u>2017</u>	Actual <u>2017</u>	Actual <u>2016</u>
Operating			
Government of Canada	\$ 2,700	\$ 8,379	\$ 6,751
Province of Ontario	1,000,055	662,283	688,477
Other municipalities	<u>58,665</u>	<u>42,619</u>	<u>16,630</u>
	<u>1,061,420</u>	<u>713,281</u>	<u>711,858</u>
Capital			
Government of Canada	193,240	230,272	450,135
Province of Ontario	<u>25,000</u>	<u>66,924</u>	<u>25,000</u>
	<u>218,240</u>	<u>297,196</u>	<u>475,135</u>
	<u>\$ 1,279,660</u>	<u>\$ 1,010,477</u>	<u>\$ 1,186,993</u>

13. Other revenue	Budget <u>2017</u>	Actual <u>2017</u>	Actual <u>2016</u>
Operating			
Penalties and interest on taxes	\$ 200,000	\$ 149,190	\$ 166,965
Fines	36,650	19,009	25,382
Rents and leases	4,850	15,996	8,695
Interest income	40,000	39,854	41,252
Interest income – reserves and reserve funds	-	323	56
Donations	10,000	1,349	7,066
Settlement road agreement	-	1,219,991	-
Other	<u>81,100</u>	<u>84,874</u>	<u>124,706</u>
	<u>372,600</u>	<u>1,530,586</u>	<u>374,122</u>
Capital			
Contributed tangible capital assets	-	-	9,650
(Loss) gain on disposal of tangible capital assets	<u>-</u>	<u>(133,034)</u>	<u>24,867</u>
	<u>-</u>	<u>(133,034)</u>	<u>34,517</u>
	<u>\$ 372,600</u>	<u>\$ 1,397,552</u>	<u>\$ 408,639</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

14. Pension agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of the members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, the Municipality does not recognize any share of the pension plan surplus of \$ 0.6 billion (2016 - \$ 2.3 billion deficit) based on the actuarial valuation of the pension benefit obligation, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2017 calendar year at rates ranging from 9.0% to 15.8% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the Consolidated Statement of Operations. Employer contributions to OMERS for 2017 current and past service was \$ 237,094 (2016 - \$ 206,253) and were matched by employee contributions in a similar amount.

15. Corporation of the Township of Wainfleet - Trust funds

Trust funds administered by the Municipality amounting to \$ 842,398 (2016 - \$ 826,170) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

16. Budget

The budget by-law adopted by Council on March 7, 2017 was not prepared on a basis consistent with that used to report actual results in accordance with Canadian public sector accounting standards. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. As a result, the budget figures presented in the Consolidated Statement of Operations and Consolidated Statement of Changes in Net Financial Assets represent the budget adopted by Council with the following adjustments:

Budgeted annual surplus (deficit)	\$ (3,500)
Add:	
Acquisition of tangible capital assets	4,746,400
Transfers to reserves	596,418
Repayment of long term debt	58,271
Less:	
Transfers from reserves	(1,215,702)
Proceeds from debt	(2,700,000)
Amortization of tangible capital assets	<u>(1,171,739)</u>
Budgeted surplus per Consolidated Statement of Operations	<u>\$ 310,148</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

17. Niagara Central Airport Commission

Niagara Central Airport Commission operates a two runway airport offering a year round fixed base operation. The Commission is funded by the four nearby municipalities, City of Welland, City of Port Colborne, Town of Pelham and the Township of Wainfleet. The Township of Wainfleet has a non-controlling interest in the airport of 7%.

The following table provides condensed supplementary financial information for the Niagara Central Airport Commission:

	<u>2017</u>	<u>2016</u>
Financial assets		
Cash and temporary investments	\$ 163,027	\$ 87,329
Receivables	<u>19,902</u>	<u>40,659</u>
	<u>182,929</u>	<u>127,988</u>
Liabilities		
Accounts payable and accrued liabilities	27,447	44,763
Deferred grant revenue	33,716	-
Loans payable	<u>250,000</u>	<u>-</u>
	<u>311,163</u>	<u>44,763</u>
Net (debt) financial assets	<u>(128,234)</u>	<u>83,225</u>
Non-financial assets		
Prepaid expenses	1,354	1,354
Fuel inventory	16,621	24,712
Tangible capital assets	<u>1,460,280</u>	<u>1,238,403</u>
	<u>1,478,255</u>	<u>1,264,469</u>
Accumulated surplus	<u>\$ 1,350,021</u>	<u>\$ 1,347,694</u>
Accumulated surplus consists of:		
Operating (deficit) surplus	\$ (126,423)	\$ 93,127
Reserves	16,164	16,164
Investment in tangible capital assets	<u>1,460,280</u>	<u>1,238,403</u>
	<u>\$ 1,350,021</u>	<u>\$ 1,347,694</u>
Revenues		
Grants	\$ 121,556	\$ 84,450
Fuel and rentals	137,001	152,110
Interest	390	477
Expenses	<u>(256,620)</u>	<u>(170,627)</u>
Annual surplus	<u>\$ 2,327</u>	<u>\$ 66,410</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

17. Niagara Central Airport Commission (continued)

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2017 and the results of operations are as reported for the year ended December 31, 2017. The comparative financial position and results of operations figures are as reported by the Niagara Central Airport Commission at December 31, 2016.

The Municipality has recorded in the financial statements its 7% share of the Niagara Central Airport Commissions' assets, liabilities, accumulated surplus, revenues, expenses, and annual surplus.

The following summarizes the Municipality's related party transactions with the Niagara Central Airport Commission for the year. All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

	<u>2017</u>	<u>2016</u>
Government transfers	<u>\$ 11,460</u>	<u>\$ 5,911</u>
Loan, bearing interest of 3.5% per annum, repayable in annual instalments of \$ 2,104, commencing June 15, 2018	<u>\$ 17,500</u>	<u>\$ -</u>

18. Contingencies

The Municipality is involved from time to time in litigation, which arises in the normal course of business. In respect of any outstanding claims, the Municipality believes that insurance coverage is adequate and that no material exposure exists on the eventual settlement of such litigation, therefore no provision has been made in the accompanying financial statements.

19. Liabilities for contaminated sites

The Municipality reports environmental liabilities related to the management and remediation of any contaminated sites where the Municipality is obligated or likely obligated to incur such costs. Currently no such contaminated sites have been identified and therefore no liability has been recorded.

The Municipality's ongoing efforts to assess contaminated sites may result in future environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the Municipality's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

20. Comparative figures

Certain of the comparative figures have been reclassified to conform with the consolidated financial statement presentation adopted for the current year.

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2017

21. Segmented information

The Municipality provides a wide range of services to its citizens. Municipal services are provided by departments and their activities are reported in the Consolidated Statement of Operations. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

General government is comprised of Council, administrative department and clerks department.

Protection to persons and property

Protection to persons and property is comprised of fire department, building department, by-law enforcement department and animal control.

Transportation services

Transportation services department is responsible for the delivery of public works services related to maintenance of roadway systems, maintenance of parks and open spaces, winter control, street lighting, air transportation and maintenance of municipal buildings.

Health services

Health services department is responsible for cemetery operations.

Social and family services

Social and family services department is responsible for providing grants to external agencies.

Recreation and culture services

Recreation and culture services department is responsible for the delivery and upkeep of all recreation programs and facilities including arena, recreation complex, parks and library.

Planning and development

Planning and development is responsible for providing planning and zoning advice to the residents of the Municipality and construction and maintenance of municipal drains.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Taxation revenue is allocated to segments based on budgeted amounts with any supplementary tax revenue being allocated to the general government segment.

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 consolidated schedules of segment disclosure and the schedules of segment disclosure with budget information follow the notes.

Township of Wainfleet

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2017

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Vehicles</u>	<u>Construction in Process</u>	<u>2017</u>
Cost								
Beginning of year	\$ 616,353	\$ 1,049,488	\$ 3,273,858	\$ 2,566,872	\$ 13,801,860	\$ 2,220,113	\$ 837,252	\$ 24,365,796
Add additions	-	11,825	2,139,017	189,405	967,944	508,935	79,594	3,896,720
Less construction in process capitalized	-	-	-	-	-	-	(812,063)	(812,063)
Less write-downs	-	-	-	-	-	(21,737)	-	(21,737)
Less disposals during the year	-	-	(7,544)	(101,953)	(303,305)	-	-	(412,802)
End of year	<u>616,353</u>	<u>1,061,313</u>	<u>5,405,331</u>	<u>2,654,324</u>	<u>14,466,499</u>	<u>2,707,311</u>	<u>104,783</u>	<u>27,015,914</u>
Accumulated amortization								
Beginning of year	-	569,348	1,456,025	1,444,789	6,515,561	1,265,692	-	11,251,415
Add amortization during the year	-	37,254	204,846	246,343	518,567	165,411	-	1,172,421
Less amortization on disposals	-	-	(4,071)	(100,172)	(194,622)	-	-	(298,865)
End of year	-	<u>606,602</u>	<u>1,656,800</u>	<u>1,590,960</u>	<u>6,839,506</u>	<u>1,431,103</u>	-	<u>12,124,971</u>
Net book value	<u>\$ 616,353</u>	<u>\$ 454,711</u>	<u>\$ 3,748,531</u>	<u>\$ 1,063,364</u>	<u>\$ 7,626,993</u>	<u>\$ 1,276,208</u>	<u>\$ 104,783</u>	<u>\$ 14,890,943</u>

The net book value of equipment under capital leases is \$ 3,511.

Township of Wainfleet

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2016

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Vehicles</u>	<u>Construction in Process</u>	<u>2016</u>
Cost								
Beginning of year	\$ 616,353	\$ 1,007,037	\$ 3,202,201	\$ 2,452,445	\$ 13,137,551	\$ 1,955,532	\$ -	\$ 22,371,119
Add additions	-	46,845	108,723	326,621	700,073	290,339	837,252	2,309,853
Less disposals during the year	-	(4,394)	(37,066)	(212,194)	(35,764)	(25,758)	-	(315,176)
End of year	<u>616,353</u>	<u>1,049,488</u>	<u>3,273,858</u>	<u>2,566,872</u>	<u>13,801,860</u>	<u>2,220,113</u>	<u>837,252</u>	<u>24,365,796</u>
Accumulated amortization								
Beginning of year	-	537,082	1,369,756	1,426,033	6,058,995	1,156,795	-	10,548,661
Add amortization during the year	-	36,660	121,975	230,770	489,893	134,655	-	1,013,953
Less amortization on disposals	-	(4,394)	(35,706)	(212,014)	(33,327)	(25,758)	-	(311,199)
End of year	-	<u>569,348</u>	<u>1,456,025</u>	<u>1,444,789</u>	<u>6,515,561</u>	<u>1,265,692</u>	-	<u>11,251,415</u>
Net book value	<u>\$ 616,353</u>	<u>\$ 480,140</u>	<u>\$ 1,817,833</u>	<u>\$ 1,122,083</u>	<u>\$ 7,286,299</u>	<u>\$ 954,421</u>	<u>\$ 837,252</u>	<u>\$ 13,114,381</u>

The net book value of equipment under capital leases is \$ 7,389.

Township of Wainfleet

Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2017

	General Government	Protection to Persons and Property	Transportation Services	Health Services	Social and Family Services	Recreation and Culture Services	Planning and Development	Eliminations	2017 Consolidated
Revenues									
Taxation	\$ 873,189	\$ 898,887	\$ 2,139,526	\$ 82,970	\$ 26,610	\$ 988,056	\$ 225,657	\$ -	\$ 5,234,895
User charges	-	277,513	57,189	98,255	-	183,832	71,512	-	688,301
Government transfers	646,094	-	196,664	5,985	-	67,896	93,838	-	1,010,477
Other	194,073	18,862	1,541,812	17,829	-	45,842	1,153	(422,019)	1,397,552
	1,713,356	1,195,262	3,935,191	205,039	26,610	1,285,626	392,160	(422,019)	8,331,225
Expenses									
Salaries and benefits	1,008,711	604,577	778,216	205,090	-	706,150	289,611	-	3,592,355
Operating materials and supplies	242,376	382,911	1,364,478	35,588	-	281,819	156,669	(422,019)	2,041,822
Contracted services	41,126	-	7,074	-	-	-	-	-	48,200
Rent and financial expenses	3,475	-	-	-	-	-	-	-	3,475
External transfers to others	-	45,417	-	-	20,673	11,000	-	-	77,090
Amortization	77,766	137,229	713,169	16,379	-	222,826	5,052	-	1,172,421
Debt service	569	3,597	3,265	-	360	716	1,852	-	10,359
	1,374,023	1,173,731	2,866,202	257,057	21,033	1,222,511	453,184	(422,019)	6,945,722
Annual surplus (deficit)	\$ 339,333	\$ 21,531	\$ 1,068,989	\$ (52,018)	\$ 5,577	\$ 63,115	\$ (61,024)	\$ -	\$ 1,385,503

Township of Wainfleet

Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2016

	General Government	Protection to Persons and Property	Transportation Services	Health Services	Social and Family Services	Recreation and Culture Services	Planning and Development	Eliminations	2016 Consolidated
Revenues									
Taxation	\$ 510,090	\$ 914,489	\$ 2,298,660	\$ 114,547	\$ 19,561	\$ 939,076	\$ 275,920	\$ -	\$ 5,072,343
User charges	-	211,928	47,659	123,757	-	204,434	93,264	-	681,042
Government transfers	640,100	-	193,243	6,751	-	298,408	48,491	-	1,186,993
Other	278,568	22,212	480,460	16,965	-	47,487	8,788	(445,841)	408,639
	<u>1,428,758</u>	<u>1,148,629</u>	<u>3,020,022</u>	<u>262,020</u>	<u>19,561</u>	<u>1,489,405</u>	<u>426,463</u>	<u>(445,841)</u>	<u>7,349,017</u>
Expenses									
Salaries and benefits	785,858	587,749	805,243	217,901	-	655,964	267,775	-	3,320,490
Operating materials and supplies	486,383	336,856	1,392,596	55,246	-	286,491	270,456	(445,841)	2,382,187
Contracted services	20,264	-	7,452	-	-	-	-	-	27,716
Rent and financial expenses	6,099	-	-	-	-	-	-	-	6,099
External transfers to others	-	48,874	-	-	19,127	9,000	-	-	77,001
Amortization	65,717	101,973	688,573	15,984	-	136,123	5,583	-	1,013,953
Debt service	754	4,513	3,298	-	-	879	2,451	-	11,895
	<u>1,365,075</u>	<u>1,079,965</u>	<u>2,897,162</u>	<u>289,131</u>	<u>19,127</u>	<u>1,088,457</u>	<u>546,265</u>	<u>(445,841)</u>	<u>6,839,341</u>
Annual surplus (deficit)	<u>\$ 63,683</u>	<u>\$ 68,664</u>	<u>\$ 122,860</u>	<u>\$ (27,111)</u>	<u>\$ 434</u>	<u>\$ 400,948</u>	<u>\$ (119,802)</u>	<u>\$ -</u>	<u>\$ 509,676</u>

Township of Wainfleet

Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2017

	Budget <u>2017</u> (Note 16)	Actual <u>2017</u>	Actual <u>2016</u>
General government			
Revenue			
Taxation	\$ 874,217	\$ 873,189	\$ 510,090
Government transfers	618,700	646,094	640,100
Other	<u>270,350</u>	<u>194,073</u>	<u>278,568</u>
	<u>1,763,267</u>	<u>1,713,356</u>	<u>1,428,758</u>
Expenses			
Salaries and benefits	965,877	1,008,711	785,858
Operating materials and supplies	397,295	242,376	486,383
Contracted services	38,300	41,126	20,264
Rent and financial expenses	8,500	3,475	6,099
Amortization	77,766	77,766	65,717
Debt service	<u>-</u>	<u>569</u>	<u>754</u>
	<u>1,487,738</u>	<u>1,374,023</u>	<u>1,365,075</u>
Annual surplus	<u>\$ 275,529</u>	<u>\$ 339,333</u>	<u>\$ 63,683</u>
Protection to persons and property			
Revenue			
Taxation	\$ 899,945	\$ 898,887	\$ 914,489
User charges	209,935	277,513	211,928
Other	<u>31,400</u>	<u>18,862</u>	<u>22,212</u>
	<u>1,141,280</u>	<u>1,195,262</u>	<u>1,148,629</u>
Expenses			
Salaries and benefits	682,027	604,577	587,749
Operating materials and supplies	256,059	382,911	336,856
External transfers to others	49,562	45,417	48,874
Amortization	137,229	137,229	101,973
Debt service	<u>3,599</u>	<u>3,597</u>	<u>4,513</u>
	<u>1,128,476</u>	<u>1,173,731</u>	<u>1,079,965</u>
Annual surplus	<u>\$ 12,804</u>	<u>\$ 21,531</u>	<u>\$ 68,664</u>

Township of Wainfleet

Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2017

	Budget <u>2017</u> (Note 16)	Actual <u>2017</u>	Actual <u>2016</u>
Transportation services			
Revenue			
Taxation	\$ 2,142,045	\$ 2,139,526	\$ 2,298,660
User charges	124,450	57,189	47,659
Government transfers	547,930	196,664	193,243
Other	<u>410,500</u>	<u>1,541,812</u>	<u>480,460</u>
	<u>3,224,925</u>	<u>3,935,191</u>	<u>3,020,022</u>
Expenses			
Salaries and benefits	955,522	778,216	805,243
Operating materials and supplies	1,466,843	1,364,478	1,392,596
Contracted services	7,500	7,074	7,452
Amortization	712,487	713,169	688,573
Debt service	<u>3,201</u>	<u>3,265</u>	<u>3,298</u>
	<u>3,145,553</u>	<u>2,866,202</u>	<u>2,897,162</u>
Annual surplus	<u>\$ 79,372</u>	<u>\$ 1,068,989</u>	<u>\$ 122,860</u>
<hr/>			
Health services			
Revenue			
Taxation	\$ 83,068	\$ 82,970	\$ 114,547
User charges	115,000	98,255	123,757
Government transfers	2,700	5,985	6,751
Other	<u>20,000</u>	<u>17,829</u>	<u>16,965</u>
	<u>220,768</u>	<u>205,039</u>	<u>262,020</u>
Expenses			
Salaries and benefits	166,357	205,090	217,901
Operating materials and supplies	54,411	35,588	55,246
Amortization	<u>16,379</u>	<u>16,379</u>	<u>15,984</u>
	<u>237,147</u>	<u>257,057</u>	<u>289,131</u>
Annual deficit	<u>\$ (16,379)</u>	<u>\$ (52,018)</u>	<u>\$ (27,111)</u>

Township of Wainfleet

Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2017

	Budget <u>2017</u> (Note 16)	Actual <u>2017</u>	Actual <u>2016</u>
Social and family services			
Revenue			
Taxation	\$ 26,642	\$ 26,610	\$ 19,561
Expenses			
External transfers to others	26,642	20,673	19,127
Debt services	-	360	-
	26,642	21,033	19,127
Annual surplus	\$ -	\$ 5,577	\$ 434
<hr/>			
Recreation and culture services			
Revenue			
Taxation	\$ 989,219	\$ 988,056	\$ 939,076
User charges	184,400	183,832	204,434
Government transfers	50,000	67,896	298,408
Other	45,850	45,842	47,487
	1,269,469	1,285,626	1,489,405
Expenses			
Salaries and benefits	710,505	706,150	655,964
Operating materials and supplies	361,264	281,819	286,491
External transfers to others	11,000	11,000	9,000
Amortization	222,826	222,826	136,123
Debt service	-	716	879
	1,305,595	1,222,511	1,088,457
Annual surplus (deficit)	\$ (36,126)	\$ 63,115	\$ 400,948

Township of Wainfleet
Consolidated Schedule of Segment Disclosure with
Budget Information

For the Year Ended December 31, 2017

	Budget <u>2017</u> (Note 16)	Actual <u>2017</u>	Actual <u>2016</u>
Planning and development			
Revenue			
Taxation	\$ 225,923	\$ 225,657	\$ 275,920
User charges	36,902	71,512	93,264
Government transfers	60,330	93,838	48,491
Other	<u>2,000</u>	<u>1,153</u>	<u>8,788</u>
	<u>325,155</u>	<u>392,160</u>	<u>426,463</u>
Expenses			
Salaries and benefits	238,594	289,611	267,775
Operating materials and supplies	84,709	156,669	270,456
Amortization	5,052	5,052	5,583
Debt service	<u>1,852</u>	<u>1,852</u>	<u>2,451</u>
	<u>330,207</u>	<u>453,184</u>	<u>546,265</u>
Annual deficit	<u>\$ (5,052)</u>	<u>\$ (61,024)</u>	<u>\$ (119,802)</u>

Independent auditor's report

Grant Thornton LLP
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To the Members of Council, Inhabitants and Taxpayers of the
Corporation of the Township of Wainfleet

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of Wainfleet, which comprise the statement of financial position as at December 31, 2017, and the statement of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of Wainfleet as at December 31, 2017 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Grant Thornton LLP

Port Colborne, Canada
October 2, 2018

Chartered Professional Accountants
Licensed Public Accountant

Township of Wainfleet
Trust Funds
Statement of Financial Position

As at December 31, 2017

	<u>Cemetery Perpetual Care Fund</u>	<u>Cemetery Care and Mtc. Fund</u>	<u>2017</u>	<u>2016</u>
Assets				
Cash	\$ 408,342	\$ 42,729	\$ 451,071	\$ 448,867
Investments, at cost (Note 2)				
Municipal - own	145,275	-	145,275	119,537
- other	<u>177,409</u>	<u>102,757</u>	<u>280,166</u>	<u>274,730</u>
	731,026	145,486	876,512	843,134
Liabilities				
Due to Municipality	<u>29,646</u>	<u>4,468</u>	<u>34,114</u>	<u>16,964</u>
Net assets	<u>\$ 701,380</u>	<u>\$ 141,018</u>	<u>\$ 842,398</u>	<u>\$ 826,170</u>

See accompanying notes to the financial statements

Township of Wainfleet
Trust Funds
Statement of Operations and Changes in Net Assets

For the year ended December 31, 2017

	Cemetery Perpetual Care Fund	Cemetery Care and Mtc. Fund	<u>2017</u>	<u>2016</u>
Revenue				
Perpetual care collections	\$ 12,328	\$ 3,900	\$ 16,228	\$ 28,326
Interest earned	<u>15,555</u>	<u>2,274</u>	<u>17,829</u>	<u>16,964</u>
	27,883	6,174	34,057	45,290
Expenses				
Transfer to Municipality	<u>15,555</u>	<u>2,274</u>	<u>17,829</u>	<u>16,964</u>
Excess of revenue over expenses	12,328	3,900	16,228	28,326
Net assets				
Beginning of year	<u>689,052</u>	<u>137,118</u>	<u>826,170</u>	<u>797,844</u>
End of year	<u>\$ 701,380</u>	<u>\$ 141,018</u>	<u>\$ 842,398</u>	<u>\$ 826,170</u>

See accompanying notes to the financial statements

**Township of Wainfleet
Trust Funds
Statement of Cash Flows**

For the year ended December 31, 2017

	<u>Cemetery Perpetual Care Fund</u>	<u>Cemetery Care and Mtc. Fund</u>	<u>2017</u>	<u>2016</u>
Net increase (decrease) in cash and cash equivalents				
Operating activities				
Excess of revenue over expenses	\$ 12,328	\$ 3,900	\$ 16,228	\$ 28,326
Increase (decrease) in due to municipality	<u>14,876</u>	<u>2,274</u>	<u>17,150</u>	<u>(2,917)</u>
	27,204	6,174	33,378	25,409
Investing activities				
(Increase) decrease in investments - net	<u>(29,364)</u>	<u>(1,810)</u>	<u>(31,174)</u>	<u>48,646</u>
Net increase (decrease) in cash and cash equivalents	(2,160)	4,364	2,204	74,055
Cash and cash equivalents				
Beginning of year	<u>410,502</u>	<u>38,365</u>	<u>448,867</u>	<u>374,812</u>
End of year	<u>\$ 408,342</u>	<u>\$ 42,729</u>	<u>\$ 451,071</u>	<u>\$ 448,867</u>

See accompanying notes to the financial statements

Township of Wainfleet

Trust Funds

Notes to the Financial Statements

For the Year Ended December 31, 2017

1. Summary of significant accounting policies

Management responsibility

The financial statements are the responsibility of and prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

(a) Basis of accounting

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting records revenues in the period they are earned and measurable and expenses in the period the goods and services are acquired and a liability is incurred.

(b) Cash and cash equivalents

Cash and cash equivalents are represented by cash on hand, cash on deposit in chartered banks and investments that mature within three months.

(c) Investments

Investments are valued at the lower of cost and market value. Interest income is reported as revenue in the period earned.

2. Investments

The investments of \$ 425,441 (2016 - \$ 394,267) reported on the Statement of Financial Position are recorded at cost and have a market value of \$ 432,872 (2016 - \$ 403,034) at the end of the year. Included in investments are debentures issued by the Township of Wainfleet totaling \$ 145,275 (2016 - \$ 119,537).

3. Due to Municipality

The amount due to Municipality is non-interest bearing and has no fixed terms of repayment.