

Financial Report

Township of Wainfleet

December 31, 2022

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# Independent auditor's report

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

### Opinion

We have audited the consolidated financial statements of the Township of Wainfleet ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of the Township of Wainfleet as at December 31, 2022, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

*Grant Thornton LLP*

Port Colborne, Canada  
November 21, 2023

Chartered Professional Accountants  
Licensed Public Accountants

# Township of Wainfleet

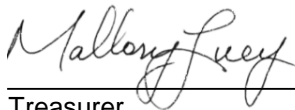
## Consolidated Statement of Financial Position

As at December 31, 2022

	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$ 8,070,177	\$ 8,853,449
Portfolio investments (Note 3)	40,026	38,946
Taxes receivable	1,390,041	1,330,325
Accounts receivable	1,768,033	308,720
	<u>11,268,277</u>	<u>10,531,440</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,962,399	832,815
Other liabilities	811,173	751,146
Deferred revenue - obligatory reserve funds (Note 5)	649,876	1,119,642
Employee benefit obligations (Notes 6 and 17)	227,638	185,967
Construction loan (Note 7)	3,000,000	-
Long term debt (Note 8)	1,132,729	1,326,036
	<u>7,783,815</u>	<u>4,215,606</u>
<b>Net financial assets</b>	<u>3,484,462</u>	<u>6,315,834</u>
<b>Non-financial assets</b>		
Tangible capital assets (Pages 25 and 26)	21,632,702	16,369,931
Other assets	29,375	28,794
	<u>21,662,077</u>	<u>16,398,725</u>
<b>Accumulated surplus (Note 9)</b>	<u>\$ 25,146,539</u>	<u>\$ 22,714,559</u>

Contingencies (Note 20)

Approved by



Treasurer



Chief Administrative Officer

See accompanying notes to the consolidated financial statements

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## Township of Wainfleet

### Consolidated Statement of Operations

For the Year Ended December 31, 2022

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	Budget <u>2022</u> (Note 23)	Actual <u>2022</u>	Actual <u>2021</u>
<b>Revenues</b>			
Taxation (Note 12)	\$ 7,917,846	\$ 7,983,575	\$ 7,170,109
User charges (Note 14)	765,721	870,125	721,002
Government transfers (Note 15)	2,273,475	2,174,448	1,076,660
Other (Note 16)	<u>476,031</u>	<u>866,589</u>	<u>600,022</u>
	<u>11,433,073</u>	<u>11,894,737</u>	<u>9,567,793</u>
<b>Expenses</b>			
General government	1,584,642	1,828,937	1,681,887
Protection to persons and property	1,715,096	1,780,116	1,517,422
Transportation services	3,167,002	3,290,841	2,694,918
Health services	280,773	296,430	281,298
Social and family services	15,500	8,000	1,500
Recreation and culture services	1,464,756	1,470,599	1,238,721
Planning and development	<u>559,294</u>	<u>787,834</u>	<u>780,168</u>
	<u>8,787,063</u>	<u>9,462,757</u>	<u>8,195,914</u>
<b>Annual surplus</b>	2,646,010	2,431,980	1,371,879
<b>Accumulated surplus (Note 9)</b>			
Beginning of year	<u>22,714,559</u>	<u>22,714,559</u>	<u>21,342,680</u>
End of year	<u>\$ 25,360,569</u>	<u>\$ 25,146,539</u>	<u>\$ 22,714,559</u>

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See accompanying notes to the consolidated financial statements.

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## Township of Wainfleet

### Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2022

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	Budget <u>2022</u> (Note 23)	Actual <u>2022</u>	Actual <u>2021</u>
Annual surplus	\$ 2,646,010	\$ <b>2,431,980</b>	\$ 1,371,879
Amortization of tangible capital assets	1,568,759	<b>1,568,759</b>	1,434,055
Acquisition of tangible capital assets	(9,710,857)	<b>(6,878,721)</b>	(2,778,529)
Proceeds on sale of tangible capital assets	-	<b>79,764</b>	44,369
(Gain) loss on disposal of tangible capital assets	<u>-</u>	<u><b>(32,573)</b></u>	<u>5,291</u>
	(5,496,088)	<b>(2,830,791)</b>	77,065
Acquisition of other assets	<u>-</u>	<u><b>(581)</b></u>	<u>(20,184)</u>
<b>(Decrease) increase in net financial assets</b>	(5,496,088)	<b>(2,831,372)</b>	56,881
<b>Net financial assets</b>			
Beginning of year	<u>6,315,834</u>	<u><b>6,315,834</b></u>	<u>6,258,953</u>
End of year	<u>\$ 819,746</u>	<u><b>\$ 3,484,462</b></u>	<u>\$ 6,315,834</u>

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See accompanying notes to the consolidated financial statements.



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## Township of Wainfleet

### Consolidated Statement of Cash Flows

For the Year Ended December 31, 2022

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	<u>2022</u>	<u>2021</u>
<b>Increase (decrease) in cash and cash equivalents</b>		
<b>Operating activities</b>		
Annual surplus	\$ 2,431,980	\$ 1,371,879
Non-cash items:		
Amortization of tangible capital assets	1,568,759	1,434,055
(Gain) loss on disposal of tangible capital assets	(32,573)	5,291
Changes in:		
Taxes receivable	(59,716)	289,505
Tile drain loans receivable	-	2,724
Accounts receivable	(1,459,313)	53,700
Accounts payable and accrued liabilities	1,129,584	(130,590)
Other liabilities	60,027	99,090
Deferred revenue - obligatory reserve funds	(469,766)	363,616
Employee benefit obligations	41,671	6,613
Other assets	(581)	(20,184)
	<u>3,210,072</u>	<u>3,475,699</u>
<b>Capital activities</b>		
Proceeds from disposal of tangible capital assets	79,764	44,369
Acquisition of tangible capital assets	(6,878,721)	(2,778,529)
	<u>(6,798,957)</u>	<u>(2,734,160)</u>
<b>Financing activities</b>		
Issue of construction loan	3,000,000	-
Repayment of long term debt	(192,741)	(194,543)
Repayment of capital lease obligation	(566)	(522)
	<u>2,806,693</u>	<u>(195,065)</u>
<b>Investing activities</b>		
Purchase of portfolio investments, net	(1,080)	(1,823)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(783,272)</b>	<b>544,651</b>
<b>Cash and cash equivalents</b>		
Beginning of year	<u>8,853,449</u>	<u>8,308,798</u>
End of year	<u>\$ 8,070,177</u>	<u>\$ 8,853,449</u>

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See accompanying notes to the consolidated financial statements.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 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 proportionality consolidated:

Niagara Central Dorothy Rungeling Airport Commission (Note 18)

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statements of Financial Position and Operations (Note 19).

#### (b) Basis of accounting

Sources of revenues 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 temporary investments include cash on hand, balances with banks and guaranteed investment certificates that mature within three months.

#### (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.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 1. Significant accounting policies (continued)

#### (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

Resources restricted by agreement with an external party are recognized as revenue in the entity's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified.

#### (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) Contaminated sites liability

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Municipality:
  - is directly responsible; or
  - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount 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.

#### (i) 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 does not capitalize interest as part of the costs of its capital assets.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 1. Significant accounting policies (continued)

#### (i) Tangible capital assets (continued)

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.

Amortization is based on the following classifications and useful lives:

<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
Vehicles	10 to 20 years
Infrastructure	5 to 50 years

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

#### (j) Reserves for future expenses

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

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 1. Significant accounting policies (continued)

#### (k) 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 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 received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

##### 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.

#### (l) Region of Niagara 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.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 1. Significant accounting policies (continued)

#### (m) Use of estimates

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Areas in which management make estimates are with regards to an allowance for uncollectible taxes receivable, obligations for employee benefits and the contaminated sites and landfill liabilities.

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### 2. Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
Cash on hand	\$ 1,750	\$ 1,750
Bank balances	<u>8,068,427</u>	<u>8,851,699</u>
	<u>\$ 8,070,177</u>	<u>\$ 8,853,449</u>

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### 3. 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 \$ 43,625 (2021 - \$ 46,124).

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### 4. 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, 2022, \$ Nil has been drawn on the operating line. The operating line is secured by a borrowing by-law containing a pledge of revenues.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 5. Deferred revenue - obligatory reserve funds

The following balances are reflected as deferred revenue – obligatory reserve funds as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded:

	<u>2022</u>	<u>2021</u>
Lot levies and subdivider contributions	\$ 47,073	\$ 45,491
Development charges	602,803	517,408
Federal gas tax	-	556,743
	<u>\$ 649,876</u>	<u>\$ 1,119,642</u>

The continuity of deferred revenue – obligatory reserve funds reported on the Consolidated Statement of Financial Position is made up of the following:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ <u>1,119,642</u>	\$ <u>756,026</u>
Contributions from		
Development charges	89,562	203,009
Canada Community-Building Fund grant	202,089	396,363
Interest earned	<u>6,393</u>	<u>5,278</u>
	<u>298,044</u>	<u>604,650</u>
Utilized for		
Tangible capital assets	<u>767,810</u>	<u>241,034</u>
Balance, end of year	<u>\$ 649,876</u>	<u>\$ 1,119,642</u>

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### 6. Employee benefit obligations

	<u>2022</u>	<u>2021</u>
Post-employment benefits	\$ <u>227,638</u>	\$ <u>185,967</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.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

### 7. Construction loan

The Municipality entered into an agreement with the Ontario Infrastructure and Lands Corporation ("OILC") to temporarily borrow up to a maximum of \$ 7,160,900 to finance capital expenditures for the construction of a new fire station, pending the issue of debentures in 2023. As at December 31, 2022 \$ 3,000,000 had been advanced. The Municipality is paying interest on the loan monthly at the OILC floating interest rate (4.41% as at December 31, 2022) until the loan is replaced by debentures. Principal payments will begin once the debentures are issued.

### 8. Long term debt

	<u>2022</u>	<u>2021</u>
(a) The Municipality has assumed responsibility for the payment of principal and interest charges on certain long term debt issued by the Region of Niagara. At the end of the year, the outstanding principal amount of this debt is	\$ 1,131,011	\$ 1,323,752
Capital lease obligations	1,718	2,284
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	-	-
Net long term debt	<u>\$ 1,132,729</u>	<u>\$ 1,326,036</u>

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>2022</u>	<u>2021</u>
Arena	1.95%-2.40%	2029	\$ 1,079,011	\$ 1,220,752
Fire tanker truck	2.76%	2023	52,000	103,000
Leased equipment	Various	2023	<u>1,718</u>	<u>2,284</u>
			<u>\$ 1,132,729</u>	<u>\$ 1,326,036</u>

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

2023	\$ 196,513
2024	147,383
2025	150,497
2026	153,756
2027	157,209



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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 8. Long term debt (continued)

(d) Total principal repayments and interest charges for the year for net long term debt, which are reported on the Consolidated Statement of Operations, are as follows:

	<u>2022</u>	<u>2021</u>
Principal	\$ 193,307	\$ 195,065
Interest	<u>30,455</u>	<u>32,099</u>
	<u>\$ 223,762</u>	<u>\$ 227,164</u>

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### 9. Accumulated surplus

	<u>2022</u>	<u>2021</u>
Consists of:		
Surpluses (deficits)		
Township	\$ 575,315	\$ -
Library	75,949	74,908
Niagara Central Dorothy Rungeling Airport Commission (Note 18)	<u>(8,377)</u>	<u>(3,882)</u>
	642,887	71,026
Investment in tangible capital assets (Pages 24 and 25)	21,632,702	16,369,931
Reserves and reserve funds (Note 10)	7,231,317	7,785,605
Unfunded liabilities (Note 11)	<u>(4,360,367)</u>	<u>(1,512,003)</u>
	<u>\$ 25,146,539</u>	<u>\$ 22,714,559</u>

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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<b>10. Reserves and reserve funds</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Reserves set aside by Council for specific purposes:		
Working capital	\$ 800,000	\$ 800,000
Building permits	119,276	72,433
Insurance	134,958	134,958
Winter control	150,000	150,000
Elections	-	16,432
Rate stabilization	1,506,731	1,534,050
Capital expenses	<u>4,509,797</u>	<u>5,072,618</u>
	7,220,762	7,780,491
Reserve funds set aside by Council for specific purposes:		
Library donations	<u>10,555</u>	<u>5,114</u>
Total reserves and reserve funds	<u>\$ 7,231,317</u>	<u>\$ 7,785,605</u>

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<b>11. Unfunded liabilities</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Employee benefit obligations	\$ 227,638	\$ 185,967
Construction loan	3,000,000	-
Long term debt	<u>1,132,729</u>	<u>1,326,036</u>
	<u>\$ 4,360,367</u>	<u>\$ 1,512,003</u>

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

12. Taxation	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
Real property		\$ 16,973,797	\$ 15,866,234
From other governments			
Payments in lieu of taxes		<u>37,100</u>	<u>34,563</u>
		<u>17,010,897</u>	<u>15,900,797</u>
Less: taxation collected on behalf of (Note 13):			
Region of Niagara		7,145,431	6,871,426
School boards		<u>1,881,891</u>	<u>1,859,262</u>
		<u>9,027,322</u>	<u>8,730,688</u>
Net taxes available for municipal purposes		<u>\$ 7,983,575</u>	<u>\$ 7,170,109</u>
Residential, multi-residential and farm	\$ 7,463,799	\$ 7,520,385	\$ 6,758,933
Commercial and industrial	<u>454,047</u>	<u>463,190</u>	<u>411,176</u>
Net taxes available for municipal purposes	<u>\$ 7,917,846</u>	<u>\$ 7,983,575</u>	<u>\$ 7,170,109</u>

### 13. Collections for the Region of Niagara and school boards

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

	<u>2022</u>	<u>2021</u>
Region of Niagara	\$ 7,145,431	\$ 6,871,426
School boards	<u>1,881,891</u>	<u>1,859,262</u>
	<u>\$ 9,027,322</u>	<u>\$ 8,730,688</u>

The Municipality is required to levy and collect taxes on behalf of the Region of Niagara and the school boards. The taxes levied over (under) the amounts requisitioned are recorded as accounts payable (receivable).

14. User charges	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
<b>Operating</b>			
Fees and service charges	\$ 417,721	\$ 545,095	\$ 388,930
Licences and permits	<u>348,000</u>	<u>325,030</u>	<u>332,072</u>
	<u>\$ 765,721</u>	<u>\$ 870,125</u>	<u>\$ 721,002</u>

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

15. Government transfers	Budget 2022	Actual 2022	Actual 2021
<b>Operating</b>			
Government of Canada	\$ -	\$ -	\$ 197,381
Province of Ontario	884,951	657,262	581,061
Municipal	<u>52,334</u>	<u>58,806</u>	<u>62,184</u>
	<u>937,285</u>	<u>716,068</u>	<u>840,626</u>
<b>Capital</b>			
Government of Canada	1,004,516	1,130,062	186,034
Province of Ontario	<u>331,674</u>	<u>328,318</u>	<u>50,000</u>
	<u>1,336,190</u>	<u>1,458,380</u>	<u>236,034</u>
	<u>\$ 2,273,475</u>	<u>\$ 2,174,448</u>	<u>\$ 1,076,660</u>
<b>16. Other revenues</b>			
	Budget 2022	Actual 2022	Actual 2021
<b>Operating</b>			
Penalties and interest on taxes	\$ 210,000	\$ 213,096	\$ 218,593
Fines	48,000	43,353	42,447
Rents and leases	26,450	45,920	25,953
Interest income	47,828	207,739	62,421
Interest income – reserves and reserve funds	-	1,241	240
Donations	5,000	8,765	6,394
Other	<u>130,753</u>	<u>307,902</u>	<u>194,265</u>
	<u>468,031</u>	<u>828,016</u>	<u>550,313</u>
<b>Capital</b>			
Gain (loss) on disposal of tangible capital assets	-	32,573	(5,291)
Contributions from developers	<u>8,000</u>	<u>6,000</u>	<u>55,000</u>
	<u>8,000</u>	<u>38,573</u>	<u>49,709</u>
	<u>\$ 476,031</u>	<u>\$ 866,589</u>	<u>\$ 600,022</u>

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# **Township of Wainfleet**

## **Notes to the Consolidated Financial Statements**

For the Year Ended December 31, 2022

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### **17. 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 deficit of \$ 6.1 billion (2021 - \$ 70 million deficit) based on the fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2022 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 2022 current and past service was \$ 304,760 (2021 - \$ 291,057) and were matched by employee contributions in a similar amount.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

### 18. Niagara Central Dorothy Rungeling Airport Commission

The Niagara Central Dorothy Rungeling 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% (2021 - 7%) based on population.

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

	<u>2022</u>	<u>2021</u>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 291,278	\$ 280,455
Receivables	<u>34,503</u>	<u>6,485</u>
	<u>325,781</u>	<u>286,940</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	40,758	30,376
Loans payable	253,160	334,557
Capital lease obligation	<u>24,536</u>	<u>32,627</u>
	<u>318,454</u>	<u>397,560</u>
<b>Net financial assets (debt)</b>	<u>7,327</u>	<u>(110,620)</u>
<b>Non-financial assets</b>		
Prepaid expenses	14,738	14,783
Fuel inventory	15,805	23,912
Tangible capital assets	<u>1,624,743</u>	<u>1,421,197</u>
	<u>1,655,286</u>	<u>1,459,892</u>
<b>Accumulated surplus</b>	<u>\$ 1,662,613</u>	<u>\$ 1,349,272</u>
<b>Accumulated surplus consists of:</b>		
Operating deficit	\$ (95,133)	\$ (55,462)
Reserves	157,539	16,164
Investment in tangible capital assets	1,624,743	1,421,197
Unfunded capital lease obligation	<u>(24,536)</u>	<u>(32,627)</u>
	<u>\$ 1,662,613</u>	<u>\$ 1,349,272</u>
<b>Revenues</b>		
Grants	\$ 154,770	\$ 154,770
Fuel, rentals and other	407,113	104,277
Interest	<u>4,453</u>	<u>474</u>
	<u>566,336</u>	<u>259,521</u>
<b>Expenses</b>	<u>(252,995)</u>	<u>(204,087)</u>
<b>Annual surplus</b>	<u>\$ 313,341</u>	<u>\$ 55,434</u>

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 18. Niagara Central Dorothy Rungeling Airport Commission (continued)

The financial position information is as reported by the Niagara Central Dorothy Rungeling Airport Commission as at December 31, 2022 and the results of operations are as reported for the year ended December 31, 2022. The comparative financial position and results of operations figures are as reported by the Niagara Central Airport Commission as at December 31, 2021.

The Municipality has recorded in the financial statements its 7% (2021 - 7%) share of the Niagara Central Dorothy Rungeling Airport Commissions' assets, liabilities, accumulated surplus, revenues, expenses, and annual surplus.

The following summarizes the Municipality's related party transactions with the Niagara Central Dorothy Rungeling 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>2022</u>	<u>2021</u>
Government transfers	\$ 10,835	\$ 10,835
Interest	371	411
Loan, bearing interest of 3.5% per annum repayable in annual instalments of \$ 2,190, commencing June 15, 2018	\$ 9,682	\$ 11,427
Loan, bearing interest of 4.3% per annum repayable in annual instalments of \$ 1,515, commencing June 15, 2019	<u>8,052</u>	<u>9,207</u>
	<u>\$ 17,734</u>	<u>\$ 20,634</u>

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### 19. Trust funds

Trust funds administered by the Municipality amounting to \$ 1,088,471 (2021 - \$ 1,038,410) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

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### 20. 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.

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# **Township of Wainfleet**

## **Notes to the Consolidated Financial Statements**

For the Year Ended December 31, 2022

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### **21. Contaminated sites liability**

The Municipality reports environmental liabilities related to the management and remediation of 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.

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### **22. Comparative figures**

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

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 23. Budget

The budget by-law adopted by Council on March 22, 2022 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 deficit	\$	(6,117)
Add:		
Principal repayments of long term debt		539,753
Acquisition of tangible capital assets		9,710,857
Less:		
Amortization of tangible capital assets		(1,568,759)
Transfers between reserves and reserve funds, net		(1,179,724)
Debenture proceeds		<u>(4,850,000)</u>
Budgeted surplus per Consolidated Statement of Operations	\$	<u>2,646,010</u>

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# **Township of Wainfleet**

## **Notes to the Consolidated Financial Statements**

For the Year Ended December 31, 2022

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### **24. 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 Municipal Council, administrative and clerks departments.

#### **Protection to persons and property**

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

#### **Transportation services**

The 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.

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.

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## Township of Wainfleet Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2022

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Process	2022
<b>Cost</b>								
Beginning of year	\$ 1,058,769	\$ 1,677,220	\$ 5,794,252	\$ 3,861,642	\$ 3,496,498	\$ 15,945,219	\$ 314,198	\$ 32,147,798
Additions	-	157,246	76,486	590,099	181,810	2,444,034	3,529,954	6,979,629
Disposals	-	-	-	(217,067)	(283,300)	(122,708)	(100,908)	(723,983)
End of year	<u>1,058,769</u>	<u>1,834,466</u>	<u>5,870,738</u>	<u>4,234,674</u>	<u>3,395,008</u>	<u>18,266,545</u>	<u>3,743,244</u>	<u>38,403,444</u>
<b>Accumulated amortization</b>								
Beginning of year	-	803,172	2,451,765	2,036,760	1,566,270	8,919,900	-	15,777,867
Amortization	-	60,575	231,254	382,607	205,343	688,980	-	1,568,759
Amortization on disposals	-	-	-	(216,287)	(242,927)	(116,670)	-	(575,884)
End of year	<u>-</u>	<u>863,747</u>	<u>2,683,019</u>	<u>2,203,080</u>	<u>1,528,686</u>	<u>9,492,210</u>	<u>-</u>	<u>16,770,742</u>
<b>Net book value</b>	<u>\$ 1,058,769</u>	<u>\$ 970,719</u>	<u>\$ 3,187,719</u>	<u>\$ 2,031,594</u>	<u>\$ 1,866,322</u>	<u>\$ 8,774,335</u>	<u>\$ 3,743,244</u>	<u>\$ 21,632,702</u>

## Township of Wainfleet Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2021

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Process	2021
<b>Cost</b>								
Beginning of year	\$ 1,058,769	\$ 1,410,522	\$ 5,580,267	\$ 3,310,576	\$ 2,900,755	\$ 15,360,240	\$ 204,482	\$ 29,825,611
Additions	-	274,609	238,566	741,598	643,893	770,147	148,694	2,817,507
Disposals	-	(7,911)	(24,581)	(190,532)	(48,150)	(185,168)	(38,978)	(495,320)
End of year	<u>1,058,769</u>	<u>1,677,220</u>	<u>5,794,252</u>	<u>3,861,642</u>	<u>3,496,498</u>	<u>15,945,219</u>	<u>314,198</u>	<u>32,147,798</u>
<b>Accumulated amortization</b>								
Beginning of year	-	748,705	2,255,603	1,866,500	1,404,117	8,475,569	-	14,750,494
Amortization	-	58,423	214,077	350,601	210,303	600,651	-	1,434,055
Amortization on disposals	-	(3,956)	(17,915)	(180,341)	(48,150)	(156,320)	-	(406,682)
End of year	<u>-</u>	<u>803,172</u>	<u>2,451,765</u>	<u>2,036,760</u>	<u>1,566,270</u>	<u>8,919,900</u>	<u>-</u>	<u>15,777,867</u>
<b>Net book value</b>	<u>\$ 1,058,769</u>	<u>\$ 874,048</u>	<u>\$ 3,342,487</u>	<u>\$ 1,824,882</u>	<u>\$ 1,930,228</u>	<u>\$ 7,025,319</u>	<u>\$ 314,198</u>	<u>\$ 16,369,931</u>

## Township of Wainfleet Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2022

	General Government	Protection to Persons and Property	Transportation Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Eliminations	2022
<b>Revenues</b>									
Taxation	\$ 1,936,490	\$ 1,600,056	\$ 2,625,280	\$ 98,432	\$ 15,629	\$ 1,179,099	\$ 528,589	\$ -	\$ 7,983,575
User charges	-	325,314	87,360	207,608	-	174,793	75,050	-	870,125
Government transfers	627,020	2,883	1,222,948	-	-	284,752	36,845	-	2,174,448
Other	477,998	104,682	515,216	18,092	-	66,196	92,865	(408,460)	866,589
	<u>3,041,508</u>	<u>2,032,935</u>	<u>4,450,804</u>	<u>324,132</u>	<u>15,629</u>	<u>1,704,840</u>	<u>733,349</u>	<u>(408,460)</u>	<u>11,894,737</u>
<b>Expenses</b>									
Salaries, wages and benefits	1,019,478	961,998	1,030,036	224,335	-	797,714	512,344	-	4,545,905
Operating materials and supplies	644,525	515,797	1,704,860	56,004	-	396,403	276,984	(408,460)	3,186,113
Contracted services	28,478	-	7,836	-	-	-	-	-	36,314
Rents and financial	11,963	-	-	-	-	-	-	-	11,963
External transfers to others	32,095	43,153	-	-	8,000	-	-	-	83,248
Amortization	92,398	257,023	942,100	16,091	-	248,172	12,975	-	1,568,759
Debt service	-	2,145	-	-	-	28,310	-	-	30,455
	<u>1,828,937</u>	<u>1,780,116</u>	<u>3,684,832</u>	<u>296,430</u>	<u>8,000</u>	<u>1,470,599</u>	<u>802,303</u>	<u>(408,460)</u>	<u>9,462,157</u>
<b>Annual surplus (deficit)</b>	<u>\$ 1,212,571</u>	<u>\$ 252,819</u>	<u>\$ 765,972</u>	<u>\$ 27,702</u>	<u>\$ 7,629</u>	<u>\$ 234,241</u>	<u>\$ (68,954)</u>	<u>\$ -</u>	<u>\$ 2,431,980</u>

## Township of Wainfleet Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2021

	General Government	Protection to Persons and Property	Transportation Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	Eliminations	2021
<b>Revenues</b>									
Taxation	\$ 931,067	\$ 1,408,531	\$ 2,951,349	\$ 70,805	\$ 1,505	\$ 1,448,182	\$ 358,670	\$ -	\$ 7,170,109
User charges	-	332,537	75,691	165,163	-	90,746	56,865	-	721,002
Government transfers	560,600	212,852	186,034	-	-	67,769	49,405	-	1,076,660
Other	303,671	79,613	644,836	-	-	27,095	30,821	(486,014)	600,022
	<u>1,795,338</u>	<u>2,033,533</u>	<u>3,857,910</u>	<u>235,968</u>	<u>1,505</u>	<u>1,633,792</u>	<u>495,761</u>	<u>(486,014)</u>	<u>9,567,793</u>
<b>Expenses</b>									
Salaries, wages and benefits	983,777	925,165	978,668	210,143	-	744,050	377,124	-	4,218,927
Operating materials and supplies	566,725	297,077	1,364,443	54,956	-	225,936	399,938	(486,014)	2,423,061
Contracted services	29,286	-	8,489	-	-	-	-	-	37,775
Rents and financial	9,913	-	-	-	-	-	-	-	9,913
External transfers to others	-	38,584	-	-	1,500	-	-	-	40,084
Amortization	92,186	253,138	818,879	16,199	-	240,425	13,228	-	1,434,055
Debt service	-	3,458	-	-	-	28,310	331	-	32,099
	<u>1,681,887</u>	<u>1,517,422</u>	<u>3,170,479</u>	<u>281,298</u>	<u>1,500</u>	<u>1,238,721</u>	<u>790,621</u>	<u>(486,014)</u>	<u>8,195,914</u>
<b>Annual surplus (deficit)</b>	<u>\$ 113,451</u>	<u>\$ 516,111</u>	<u>\$ 687,431</u>	<u>\$ (45,330)</u>	<u>\$ 5</u>	<u>\$ 395,071</u>	<u>\$ (294,860)</u>	<u>\$ -</u>	<u>\$ 1,371,879</u>

# Township of Wainfleet Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2022

General government	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
<b>Revenues</b>			
Taxation	\$ 1,920,547	\$ 1,936,490	\$ 931,067
Government transfers	508,300	627,020	560,600
Other	<u>273,723</u>	<u>477,998</u>	<u>303,671</u>
	<u>2,702,570</u>	<u>3,041,508</u>	<u>1,795,338</u>
<b>Expenses</b>			
Salaries, wages and benefits	1,005,388	1,019,478	983,777
Operating materials and supplies	418,547	644,525	566,725
Contracted services	31,104	28,478	29,286
Rents and financial	8,900	11,963	9,913
External transfers to others	28,305	32,095	-
Amortization	<u>92,398</u>	<u>92,398</u>	<u>92,186</u>
	<u>1,584,642</u>	<u>1,828,937</u>	<u>1,681,887</u>
<b>Annual surplus</b>	<u>\$ 1,117,928</u>	<u>\$ 1,212,571</u>	<u>\$ 113,451</u>

Protection to persons and property	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
<b>Revenues</b>			
Taxation	\$ 1,586,883	\$ 1,600,056	\$ 1,408,531
User charges	348,900	325,314	332,537
Government transfers	11,914	2,883	212,852
Other	<u>66,100</u>	<u>104,682</u>	<u>79,613</u>
	<u>2,013,797</u>	<u>2,032,935</u>	<u>2,033,533</u>
<b>Expenses</b>			
Salaries, wages and benefits	958,122	961,998	925,165
Operating materials and supplies	430,313	515,797	297,077
External transfers to others	52,038	43,153	38,584
Amortization	257,023	257,023	253,138
Debt service	<u>17,600</u>	<u>2,145</u>	<u>3,458</u>
	<u>1,715,096</u>	<u>1,780,116</u>	<u>1,517,422</u>
<b>Annual surplus</b>	<u>\$ 298,701</u>	<u>\$ 252,819</u>	<u>\$ 516,111</u>

# Township of Wainfleet Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2022

Transportation services	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
<b>Revenues</b>			
Taxation	\$ 2,603,666	\$ <b>2,625,280</b>	\$ 2,951,349
User charges	54,811	<b>87,360</b>	75,691
Government transfers	1,336,190	<b>1,222,948</b>	186,034
Other	<u>492,828</u>	<u><b>515,216</b></u>	<u>644,836</u>
	<u>4,487,495</u>	<u><b>4,450,804</b></u>	<u>3,857,910</u>
<b>Expenses</b>			
Salaries, wages and benefits	1,167,282	<b>1,030,036</b>	978,668
Operating materials and supplies	1,447,020	<b>1,704,860</b>	1,364,443
Contracted services	8,000	<b>7,836</b>	8,489
Amortization	942,100	<b>942,100</b>	818,879
Debt service	<u>10,100</u>	<u>-</u>	<u>-</u>
	<u>3,574,502</u>	<u><b>3,684,832</b></u>	<u>3,170,479</u>
<b>Annual surplus</b>	<u>\$ 912,993</u>	<u>\$ <b>765,972</b></u>	<u>\$ 687,431</u>

Health services	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
<b>Revenues</b>			
Taxation	\$ 97,622	\$ <b>98,432</b>	\$ 70,805
User charges	156,560	<b>207,608</b>	165,163
Other	<u>14,000</u>	<u><b>18,092</b></u>	<u>-</u>
	<u>268,182</u>	<u><b>324,132</b></u>	<u>235,968</u>
<b>Expenses</b>			
Salaries, wages and benefits	209,650	<b>224,335</b>	210,143
Operating materials and supplies	55,032	<b>56,004</b>	54,956
Amortization	<u>16,091</u>	<u><b>16,091</b></u>	<u>16,199</u>
	<u>280,773</u>	<u><b>296,430</b></u>	<u>281,298</u>
<b>Annual surplus (deficit)</b>	<u>\$ (12,591)</u>	<u>\$ <b>27,702</b></u>	<u>\$ (45,330)</u>



## Township of Wainfleet Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2022

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<b>Social and family services</b>	Budget <u>2022</u>	<b>Actual <u>2022</u></b>	Actual <u>2021</u>
<b>Revenues</b>			
Taxation	\$ 15,500	\$ <b>15,629</b>	\$ 1,505
<b>Expenses</b>			
External transfers to others	<u>15,500</u>	<u><b>8,000</b></u>	<u>1,500</u>
<b>Annual surplus</b>	<u>\$ -</u>	<u>\$ <b>7,629</b></u>	<u>\$ 5</u>

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<b>Recreation and culture services</b>	Budget <u>2022</u>	<b>Actual <u>2022</u></b>	Actual <u>2021</u>
<b>Revenues</b>			
Taxation	\$ 1,169,391	\$ <b>1,179,099</b>	\$ 1,448,182
User charges	168,900	<b>174,793</b>	90,746
Government transfers	358,519	<b>284,752</b>	67,769
Other	<u>34,900</u>	<u><b>66,196</b></u>	<u>27,095</u>
	<u>1,731,710</u>	<u><b>1,704,840</b></u>	<u>1,633,792</u>
<b>Expenses</b>			
Salaries, wages and benefits	778,227	<b>797,714</b>	744,050
Operating materials and supplies	411,403	<b>396,403</b>	225,936
Amortization	248,172	<b>248,172</b>	240,425
Debt service	<u>26,954</u>	<u><b>28,310</b></u>	<u>28,310</u>
	<u>1,464,756</u>	<u><b>1,470,599</b></u>	<u>1,238,721</u>
<b>Annual surplus</b>	<u>\$ 266,954</u>	<u>\$ <b>234,241</b></u>	<u>\$ 395,071</u>

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## Township of Wainfleet Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2022

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Planning and development	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
<b>Revenues</b>			
Taxation	\$ 524,237	\$ <b>528,589</b>	\$ 358,670
User charges	36,550	<b>75,050</b>	56,865
Government transfers	58,552	<b>36,845</b>	49,405
Other	<u>1,980</u>	<u><b>92,865</b></u>	<u>30,821</u>
	<u>621,319</u>	<u><b>733,349</b></u>	<u>495,761</u>
<b>Expenses</b>			
Salaries, wages and benefits	451,769	<b>512,344</b>	377,124
Operating materials and supplies	94,550	<b>276,984</b>	399,938
Amortization	12,975	<b>12,975</b>	13,228
Debt service	<u>-</u>	<u>-</u>	<u>331</u>
	<u>559,294</u>	<u><b>802,303</b></u>	<u>790,621</u>
<b>Annual (deficit) surplus</b>	<u>\$ 62,025</u>	<u>\$ <b>(68,954)</b></u>	<u>\$ (294,860)</u>

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# Independent auditor's report

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

### Opinion

We have audited the financial statements of the Trust Funds of the Township of Wainfleet ("the Organization"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Trust Funds of the Township of Wainfleet as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of 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.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Port Colborne, Canada  
November 21, 2023

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants  
Licensed Public Accountants

**Township of Wainfleet**  
**Trust Funds**  
**Statement of Financial Position**  
As at December 31, 2022

	<u>Cemetery Perpetual Care Fund</u>	<u>Cemetery Care and Mtc Fund</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 723,756	\$ 66,117	\$ 789,873	\$ 728,591
Interfund advances	137	(137)	-	-
Due from Township of Wainfleet (Note 3)	-	-	-	1,415
Portfolio investments (Note 2)	<u>199,159</u>	<u>116,317</u>	<u>315,476</u>	<u>308,604</u>
	<u>923,052</u>	<u>182,297</u>	<u>1,105,349</u>	<u>1,038,610</u>
<b>Liabilities</b>				
Due to Township of Wainfleet (Note 3)	<u>15,212</u>	<u>1,666</u>	<u>16,878</u>	<u>200</u>
<b>Net assets</b>	<u>\$ 907,840</u>	<u>\$ 180,631</u>	<u>\$ 1,088,471</u>	<u>\$ 1,038,410</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, 2022

	Cemetery Perpetual Care Fund	Cemetery Care and Mtc Fund	<u>2022</u>	<u>2021</u>
<b>Revenues</b>				
Perpetual care collections	\$ 35,964	\$ 7,249	\$ 43,213	\$ 39,020
Interest earned	<u>20,636</u>	<u>4,327</u>	<u>24,963</u>	<u>13,146</u>
	56,600	11,576	68,176	52,166
<b>Expenses</b>				
Transfer to revenue fund	16,627	1,465	18,092	-
Service charges	-	<u>23</u>	<u>23</u>	-
	<u>16,627</u>	<u>1,488</u>	<u>18,115</u>	-
	39,973	10,088	50,061	52,166
<b>Excess of revenues over expenses</b>				
	<u>867,867</u>	<u>170,543</u>	<u>1,038,410</u>	<u>986,244</u>
<b>Net assets</b>				
Beginning of year	\$ 907,840	\$ 180,631	\$ 1,088,471	\$ 1,038,410
End of year				

See accompanying notes to the financial statements

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**Township of Wainfleet**  
**Trust Funds**  
**Statement of Cash Flows**  
For the Year Ended December 31, 2022

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	<u>2022</u>	<u>2021</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 50,061	\$ 52,166
Increase in due from/to Township of Wainfleet	<u>18,093</u>	<u>42,390</u>
	<u>68,154</u>	<u>94,556</u>
<b>Investing activities</b>		
Increase in investments - net	<u>(6,872)</u>	<u>(8,485)</u>
<b>Net increase in cash and cash equivalents</b>	<b>61,282</b>	86,071
<b>Cash and cash equivalents</b>		
Beginning of year	<u>728,591</u>	<u>642,520</u>
End of year	<u>\$ 789,873</u>	<u>\$ 728,591</u>

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See accompanying notes to the financial statements

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# Township of Wainfleet

## Trust Funds

### Notes to the Financial Statements

For the Year Ended December 31, 2022

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#### 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

- (i) Sources of revenues and expenses are reported on the accrual basis of accounting.
- (ii) 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) Financial instruments

###### *Initial measurement*

The Trust Funds' financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

###### *Subsequent measurement*

At each reporting date, the Trust Funds measure their financial assets and liabilities at cost. The financial instruments measured at cost are cash investments, interest receivable and due from revenue fund.

For financial assets measured at cost, the Trust Funds regularly assess whether there are any indications of impairment. If there is an indication of impairment, and the Trust Funds determine that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.



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**Township of Wainfleet**  
**Trust Funds**  
**Notes to the Financial Statements**

For the Year Ended December 31, 2022

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**1. Summary of significant accounting policies (continued)**

**(d) Revenue recognition**

(i) Perpetual care collections

Revenue is recorded when it is earned and collection is reasonably assured.

(ii) Interest

Interest income earned on investments is recorded as revenue in the period earned.

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**2. Portfolio investments**

Investments are recorded at cost and have an estimated market value of \$ 317,891 (2021 - \$ 329,391).

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**3. Due to/from Township of Wainfleet**

The amount due to/from the Township of Wainfleet is non-interest bearing and has no fixed terms of repayment.

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