

FINANCIAL STATEMENT

**TOWNSHIP OF WAINFLEET**

DECEMBER 31, 2024

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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, 2024, and the consolidated statements of operations, change in net debt and cash flow 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, 2024, and its results of operations, its changes in its net debt, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes 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.

*Doane Grant Thornton LLP*

Port Colborne, Canada  
May 22, 2025

Chartered Professional Accountants  
Licensed Public Accountants

## TOWNSHIP OF WAINFLEET

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	2024	2023
<b>Financial assets</b>		
Cash (Note 3)	\$ 5,023,253	\$ 5,151,352
Portfolio investments (Note 4)	45,087	41,466
Taxes receivable (Note 5)	2,098,897	1,573,429
Accounts receivable	1,576,925	1,444,066
Total financial assets	8,744,162	8,210,313
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	1,325,813	2,814,247
Deposits	654,874	1,310,237
Deferred revenue	286,919	190,817
Deferred revenue - obligatory reserve funds (Note 7)	240,993	374,126
Employee benefit obligations (Note 8 and 20)	256,991	220,533
Asset retirement obligations (Note 9)	437,389	397,445
Construction loan (Note 10)	-	3,000,000
Long term debt (Note 11)	5,470,568	976,528
Total financial liabilities	8,673,547	9,283,933
<b>Net financial assets (debt)</b>	<b>70,615</b>	<b>(1,073,620)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Pages 26 and 27)	29,038,831	28,146,652
Other assets	72,388	49,634
Total non-financial assets	29,111,219	28,196,286
<b>Accumulated surplus (Note 12)</b>	<b>\$ 29,181,834</b>	<b>\$ 27,122,666</b>

Contingencies (Note 23)

Approved by

\_\_\_\_\_  
CAO/Treasurer

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Manager of Financial Planning/Deputy Treasurer

*See accompanying notes to the consolidated financial statements*

# TOWNSHIP OF WAINFLEET

## CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2024

	Budget (Note 27)	2024	2023
<b>Revenues</b>			
Taxation (Note 15)	\$ 9,185,275	<b>\$ 9,158,065</b>	\$ 8,512,797
User fees and charges (Note 17)	962,901	<b>923,934</b>	942,798
Government transfers (Note 18)	2,502,147	<b>1,108,638</b>	1,605,361
Other (Note 19)	919,022	<b>2,070,649</b>	1,321,346
	13,569,345	<b>13,261,286</b>	12,382,302
<b>Expenses</b>			
General government	1,779,962	<b>1,647,895</b>	1,723,649
Protection to persons and property	2,735,357	<b>3,009,249</b>	2,554,581
Transportation services	3,405,161	<b>3,455,184</b>	3,215,169
Health services	295,221	<b>307,747</b>	305,032
Social and family services	21,576	<b>21,576</b>	15,163
Recreation and cultural services	1,712,678	<b>1,717,755</b>	1,611,856
Planning and development	803,479	<b>1,042,712</b>	980,725
	10,753,434	<b>11,202,118</b>	10,406,175
<b>Annual surplus</b>	2,815,911	<b>2,059,168</b>	1,976,127
<b>Accumulated surplus (Note 12)</b>			
Beginning of year	27,122,666	<b>27,122,666</b>	25,146,539
End of year	\$ 29,938,577	<b>\$ 29,181,834</b>	\$ 27,122,666

*See accompanying notes to the consolidated financial statements.*

# TOWNSHIP OF WAINFLEET

## CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)

For the Year Ended December 31, 2024

	Budget (Note 27)	2024	2023
<b>Annual surplus</b>	\$ 2,815,911	\$ 2,059,168	\$ 1,976,127
Amortization of tangible capital assets	2,136,369	2,140,957	2,026,344
Acquisition of tangible capital assets	(4,701,692)	(3,064,169)	(8,540,832)
Contributed tangible capital assets	-	-	(10,250)
Proceeds on sale of tangible capital assets	-	580,392	45,193
Gain on disposal of tangible capital assets	-	(549,359)	(34,405)
	250,588	1,166,989	(4,537,823)
Acquisition of other assets	-	(22,754)	(20,259)
<b>Increase (decrease) in net financial assets</b>	250,588	1,144,235	(4,558,082)
<b>Net financial assets (debt)</b>			
Beginning of year	(1,073,620)	(1,073,620)	3,484,462
End of year	\$ (823,032)	\$ 70,615	\$ (1,073,620)

*See accompanying notes to the consolidated financial statements.*

## TOWNSHIP OF WAINFLEET

### CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

	2024	2023
<b>Increase (decrease) in cash</b>		
<b>Operating activities</b>		
Annual surplus	\$ 2,059,168	\$ 1,976,127
Non-cash items:		
Amortization of tangible capital assets	2,140,957	2,026,344
Gain on disposal of tangible capital assets	(549,359)	(34,405)
Contributed tangible capital assets	-	(10,250)
Asset retirement obligations	39,944	397,445
Changes in:		
Taxes receivable	(525,468)	(183,388)
Accounts receivable	(132,859)	323,967
Accounts payable and accrued liabilities	(1,488,434)	851,848
Deposits	(655,363)	729,665
Deferred revenue	96,102	(39,784)
Deferred revenue – obligatory reserve funds	(133,133)	(275,750)
Employee benefit obligations	36,458	(7,105)
Other assets	(22,754)	(20,259)
	865,259	5,734,455
<b>Capital activities</b>		
Proceeds on sale of tangible capital assets	580,392	45,193
Acquisition of tangible capital assets	(3,064,169)	(8,540,832)
	(2,483,777)	(8,495,639)
<b>Investing activities</b>		
Purchase of portfolio investments, net	(3,621)	(1,440)
<b>Financing activities</b>		
Issuance of long term debt	1,645,000	42,000
Repayment of long term debt	(150,339)	(197,614)
Repayment of capital lease obligation	(621)	(587)
	1,494,040	(156,201)
<b>Net decrease in cash</b>	(128,099)	(2,918,825)
<b>Cash</b>		
Beginning of year	5,151,352	8,070,177
End of year	\$ 5,023,253	\$ 5,151,352

See accompanying notes to the financial statements.



# TOWNSHIP OF WAINFLEET

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 1. Significant accounting policies

#### Management responsibility

The consolidated financial statements of the Township of Wainfleet (the "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 21)

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 22).

#### 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) 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.

## TOWNSHIP OF WAINFLEET

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 1. Significant accounting policies (continued)

#### d) Employee future benefits

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

#### e) Asset retirement obligations

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is measured at the Municipality's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital asset (or component thereof) is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately.

Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for changes as a result of the passage of time with corresponding accretion expense and adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 1. Significant accounting policies (continued)

#### e) Asset retirement obligations (continued)

The asset retirement costs are amortized on a straight line basis over the same useful life as the asset (or component thereof) to which it relates to, unless said asset has no remaining useful life, in which case management made an estimate as to the amount of years until replacement.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured; reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

#### f) 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 would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be 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 would be 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.

#### g) 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.

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.

TOWNSHIP OF WAINFLEET

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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1. Significant accounting policies (continued)

g) Tangible capital assets (continued)

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:

Classification	Useful Life
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.

h) 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.

i) 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.

# TOWNSHIP OF WAINFLEET

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 1. Significant accounting policies (continued)

#### i) Revenue recognition (continued)

##### 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.

#### j) 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.

#### k) Financial instruments

The Municipality initially measures its financial assets and financial liabilities at fair value. The Municipality subsequently measures all its financial assets and financial liabilities at amortized cost, except for portfolio investments in active market equity instruments and derivatives, which are recorded at fair value with unrealized gains and losses in the Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Statement of Operations. Changes in fair value on restricted assets are treated as liabilities until restrictions are met, upon which the gain or loss is recognized in the Statement of Operations. Transaction costs for instruments at cost are added to their carrying value, while those for fair value instruments are expensed immediately. Financial liabilities are removed from the Statement of Financial Position upon discharge, cancellation, or expiration.

# TOWNSHIP OF WAINFLEET

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 1. Significant accounting policies (continued)

#### k) Financial instruments (continued)

Financial assets measured at amortized cost include cash, portfolio investments and other receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, other liabilities, construction loan and long term debt.

#### l) 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, useful lives of tangible capital assets, obligations for employee benefits, asset retirement obligations, and the contaminated sites liability.

### 2. Adoption of new guidance – revenue recognition

Effective January 1, 2024, the Township adopted the revised Public Sector Accounting Standards Sections PS 3400 Revenue. Revised Section PS 3400 requires accounting for revenue transactions by distinguishing between transactions with and without performance obligations.

Revenue is recognized for transactions with performance obligations when the public sector entity has satisfied a performance obligation by providing goods or services to a payor in an exchange transaction.

Revenue is recognized for transactions without performance obligations when the public sector entity has the authority to collect and retains the benefit from the revenue source, with no specific obligation to provide goods or services directly in exchange.

The revenue recognition criteria is dependent on whether the transaction is an exchange or non-exchange transaction, with consideration given to enforceability and the nature of the obligations imposed.

The new guidance has been applied prospectively. As a result of this change, \$90,784 in building permit fees received in the fiscal year 2024 were deferred until such time that performance obligations have been met. There were no changes to the comparative period.

## TOWNSHIP OF WAINFLEET

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

#### 3. Cash and cash equivalents

	<u>2024</u>	<u>2023</u>
Cash on hand	\$ 1,750	\$ 1,750
Bank balances	5,021,503	5,149,602
	<u>\$ 5,023,253</u>	<u>\$ 5,151,352</u>

#### 4. Portfolio investments

Book value	<u>2024</u>	<u>2023</u>
Canadian government bonds	\$ 34,197	\$ 33,428
Canadian equity portfolio	10,890	8,038
	<u>\$ 45,087</u>	<u>\$ 41,466</u>

Market value	<u>2024</u>	<u>2023</u>
Canadian government bonds	\$ 31,363	\$ 29,911
Canadian equity portfolio	21,243	17,619
	<u>\$ 52,606</u>	<u>\$ 47,530</u>

#### 5. Taxes receivable

Property tax billings are prepared by the Municipality based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government. All assessed property values in the Municipality were reviewed and new values established based on a common valuation date that was used by the Municipality in computing the property tax bills. However, the property tax revenue and taxes receivable of the Municipality are subject to measurement uncertainty as a number of appeals submitted by taxpayers have yet to be heard. Any 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.

	<u>2024</u>	<u>2023</u>
Current year's taxes receivable	\$ 1,313,922	\$ 993,624
Prior year's taxes receivable	490,794	390,613
Previous year's taxes receivable	537,178	424,720
Allowance for uncollectable taxes	(242,997)	(235,528)
	<u>\$ 2,098,897</u>	<u>\$ 1,573,429</u>

#### 6. 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, 2024, \$ Nil (2023 - \$ Nil) has been drawn on the operating line. The operating line is secured by a borrowing by-law containing a pledge of revenues.

## TOWNSHIP OF WAINFLEET

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

#### 7. Deferred revenue – obligatory reserve funds

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

	<u>2024</u>	<u>2023</u>
Lot levies and sub-divider contributions	\$ 52,508	\$ 48,525
Development charges	188,485	325,601
	<b>\$ 240,993</b>	<b>\$ 374,126</b>

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

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 374,126	\$ 649,876
Contributions from		
Development charges	61,239	71,730
Canada Community Building Fund	216,528	210,875
Interest earned	8,776	4,420
	<b>286,543</b>	<b>287,025</b>
Utilized for		
Tangible capital asset acquisitions	(419,676)	(562,775)
Balance, end of year	<b>\$ 240,993</b>	<b>\$ 374,126</b>

#### 8. Employee benefit obligations

	<u>2024</u>	<u>2023</u>
Post-employment benefits	\$ 256,991	\$ 220,533

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.



## TOWNSHIP OF WAINFLEET

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

#### 9. Asset retirement obligations

The Municipality has recognized an asset retirement obligation related to disposal and remediation of underground tanks and asbestos related to the various municipal facilities, additionally the Municipality's portion (6.8%) of the Niagara Central Dorothy Rungeling Airport Commission asset retirement obligation has been recognized.

A reconciliation of the aggregate carrying amount of the liability is as follows:

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 397,445	\$ -
Liability incurred in the current period	-	380,910
Settlement of a liability	-	-
Accretion expense	17,516	16,535
Revisions in estimates	22,428	-
Closing balance	<u>\$ 437,389</u>	<u>\$ 397,445</u>

The liability is estimated using a present value technique that discounts the expected future expenditures. The discount rate used was based on the borrowing rate for liabilities with similar risks and maturity of 4.19%. The total undiscounted expenditures and the time period over which they are expected to be incurred, for the Township only, is as follows:

2028	\$ 158,630
2034	14,210
2038	33,070
2040	33,070
2041	49,605
2043	144,734
2073	44,155
Total	<u>\$ 477,474</u>

The Municipality is legally required to fund the asset retirement obligation and will do so through future revenue in the year of settlement of the liability.

#### 10. Construction loan

The Municipality entered into an agreement with the Ontario Infrastructure and Lands Corporation ("OILC") to temporarily borrow up to a maximum of \$7,169,000 to finance the construction of a new fire station. This construction loan was converted to long term debt as of March 1, 2024 and therefore, as at December 31, 2024, there were no construction loans outstanding. Interest expense paid during the year relating to the loan was \$41,790 (2023 - \$147,201).

# TOWNSHIP OF WAINFLEET

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 11. Long term debt

	<u>2024</u>	<u>2023</u>
(a) The Municipality has assumed responsibility for the payment of principal and interest charges on certain long-term debt issued by Infrastructure Ontario. At the end of the year, the outstanding principal amount of the debt is	\$ 5,432,115	\$ 934,498
Airport debt – Wainfleet portion	37,943	40,899
Capital lease obligations	510	1,131
	<b>\$ 5,470,568</b>	<b>\$ 976,528</b>

- 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</u>	<u>2024</u>	<u>2023</u>
Central Fire Station	4.70%	2039	\$ 4,645,000	\$ -
Arena	1.95-2.40%	2029	787,115	934,498
Airport – Wainfleet portion	3.75%	2038	37,943	40,899
Leased equipment - Airport	3.90%	2025	510	1,131
			<b>\$ 5,470,568</b>	<b>\$ 976,528</b>

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

2025	\$ 373,484
2026	386,548
2027	400,922
2028	416,051
2029	431,865
Thereafter	3,461,698
<b>Total</b>	<b>\$ 5,470,568</b>

- 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>2024</u>	<u>2023</u>
Principal	\$ 150,960	\$ 198,201
Interest	203,229	24,919
	<b>\$ 354,189</b>	<b>\$ 223,120</b>

## TOWNSHIP OF WAINFLEET

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

#### 12. Accumulated surplus

	<u>2024</u>	<u>2023</u>
Operating deficit - Township	\$ (519,112)	\$ (1,958,002)
Surplus - Library	55,912	56,409
Deficit - Niagara Central Dorothy Rungeling Airport (Note 21)	(44,829)	(41,385)
Investment in tangible capital assets (Pages 26 and 27)	29,038,831	28,146,652
Reserve and reserve funds (Note 13)	6,815,980	5,513,498
Unfunded liabilities (Note 14)	(6,164,948)	(4,594,506)
	<u>\$ 29,181,834</u>	<u>\$ 27,122,666</u>

#### 13. Reserve and reserve funds

	<u>2024</u>	<u>2023</u>
Reserves set aside by Council for specific purposes:		
Working capital	\$ 800,000	\$ 800,000
Building permits	(247,114)	3,593
Insurance	174,447	134,958
Winter control	150,000	150,000
Elections	37,585	22,835
Rate stabilization	1,399,211	1,338,062
Trees	569,601	569,601
Capital and other	3,925,533	2,486,230
Total reserves	<u>6,807,263</u>	<u>5,505,279</u>
Reserve funds set aside by Council for specific purposes		
Library donations	8,717	8,219
Total reserve and reserve funds	<u>\$ 6,815,980</u>	<u>\$ 5,513,498</u>

#### 14. Unfunded liabilities

	<u>2024</u>	<u>2023</u>
Employee benefit obligations	\$ 256,991	\$ 220,533
Asset retirement obligation	437,389	397,445
Construction loan	-	3,000,000
Long term debt	5,470,568	976,528
	<u>\$ 6,164,948</u>	<u>\$ 4,594,506</u>

## TOWNSHIP OF WAINFLEET

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

#### 15. Taxation

	<u>Budget</u>	<u>2024</u>	<u>2023</u>
Real property		\$ 19,397,300	\$ 18,176,901
Payments in lieu of taxes		41,760	39,417
		<b>19,439,060</b>	18,216,318
Less: taxation collected on behalf of (Note 16):			
Region of Niagara		8,309,985	7,771,752
School boards		1,971,010	1,931,769
		<b>10,280,995</b>	9,703,521
Net taxes available for municipal purposes		<b>\$ 9,158,065</b>	\$ 8,512,797
Residential, multi-residential and farm	\$ 8,534,293	<b>\$ 8,526,703</b>	\$ 8,039,641
Commercial and industrial	650,982	<b>631,362</b>	473,156
Net taxes available for municipal purposes	\$ 9,185,275	<b>\$ 9,158,065</b>	\$ 8,512,797

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

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

	<u>2024</u>	<u>2023</u>
Region of Niagara	\$ 8,309,985	\$ 7,771,752
School boards	1,971,010	1,931,769
	<b>\$ 10,280,995</b>	\$ 9,703,521

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 over (under) the amounts requisitioned are recorded as accounts payable (receivable).

#### 17. User fees and charges

	<u>Budget</u>	<u>2024</u>	<u>2023</u>
Operating			
Fees and service charges	\$ 578,431	\$ 654,722	\$ 692,928
Licenses and permits	384,470	<b>269,212</b>	249,870
	\$ 962,901	<b>\$ 923,934</b>	\$ 942,798

# TOWNSHIP OF WAINFLEET

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

### 18. Government transfers

	<u>Budget</u>	<u>2024</u>	<u>2023</u>
<b>Operating</b>			
Government of Canada	\$ -	\$ 9,163	\$ -
Province of Ontario	681,608	649,573	678,924
Municipal	53,034	90,015	57,885
	734,642	748,751	736,809
<b>Capital</b>			
Government of Canada	1,658,505	246,155	512,952
Province of Ontario	109,000	113,732	355,600
	1,767,505	359,887	868,552
	\$ 2,502,147	\$ 1,108,638	\$ 1,605,361

### 19. Other revenues

	<u>Budget</u>	<u>2024</u>	<u>2023</u>
<b>Operating</b>			
Penalties and interest on taxes	\$ 220,000	\$ 290,163	\$ 246,461
Fines	75,000	337,720	74,622
Rents and leases	9,500	13,499	11,509
Interest income	253,492	260,878	341,969
Interest income – reserves and reserve funds	-	498	409
Donations	2,500	518	2,748
Other	158,530	418,014	247,073
	719,022	1,321,290	924,791
<b>Capital</b>			
Gain on disposal of tangible capital assets	-	549,359	34,405
Contributed capital asset	-	-	10,250
Contributions from developers	200,000	200,000	351,900
		749,359	396,555
	\$ 919,022	\$ 2,070,649	\$ 1,321,346

### 20. Pension agreements

The Municipality contributes to the Ontario Municipal Employees Retirement System ("OMERS"), 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. As OMERS is a multi-employer pension plan, the Municipality does not recognize any share of the pension plan deficit of \$4.3 billion (2023 - \$ 7.6 billion) 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 2024 at rates ranging from 9.0% to 15.8% depending on the member's designated retirement age and earnings. Employer contributions for current and past service are included as an expense in the Consolidated Statement of Operations in the amount of \$364,430 (2023 - \$342,905) and were matched by employee contributions in a similar amount.

## TOWNSHIP OF WAINFLEET

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

#### 21. 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 6.83% (2023 - 7%) based on population.

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

<b>Statement of Financial Position</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 43,423	\$ 51,908
Investments	170,944	290,072
Receivables	36,497	23,927
	<b>250,864</b>	<b>365,907</b>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	68,221	27,402
Loans payable	721,272	794,395
Capital lease obligations	7,472	16,154
Asset retirement obligations	42,367	41,910
	<b>839,332</b>	<b>879,861</b>
<b>Net financial debt</b>	<b>(588,468)</b>	<b>(513,954)</b>
<b>Non-financial assets</b>		
Prepaid expenses	20,580	15,492
Fuel inventory	19,035	6,785
Tangible capital assets	2,074,826	2,131,101
	<b>2,114,441</b>	<b>2,153,378</b>
<b>Accumulated surplus</b>	<b>\$ 1,525,973</b>	<b>\$ 1,639,424</b>

<b>Statement of Operations</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>Revenues</b>		
Grants	\$ 172,000	\$ 154,770
Fuel, rentals and other	247,340	151,417
Interest	13,541	15,741
	<b>432,881</b>	<b>321,928</b>
<b>Expenses</b>	<b>(546,302)</b>	<b>(312,042)</b>
<b>Annual (deficit) surplus</b>	<b>\$ (113,421)</b>	<b>\$ 9,886</b>

## TOWNSHIP OF WAINFLEET

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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#### 21. 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, 2024 and the results of operations are as reported for the year ended December 31, 2024. The comparative financial position and results of operations figures are as reported by the Niagara Central Airport Commission as at December 31, 2023.

The Municipality has recorded in the financial statements its 6.83% (2023 - 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>2024</u>	<u>2023</u>
Government transfers	\$ 11,744	\$ 10,835
Interest	242	307
Loan, bearing interest of 3.5% per annum repayable in annual instalments of \$2,104, commencing June 15, 2017	6,008	7,876
Loan, bearing interest of 4.3% per annum repayable in annual instalments of \$1,515, commencing June 15, 2018	5,590	6,847
Total outstanding loan	\$ 11,598	\$ 14,723

#### 22. Trust funds

Trust funds administered by the Municipality amounting to \$ 1,180,583 (2023 - \$ 1,128,796) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

#### 23. 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 consolidated financial statements.

#### 24. 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, 2024

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### 25. 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.

### 26. Financial instruments

The Municipality is exposed to various risks through its financial instruments. The following analysis provides a measure of the Municipality's risk exposures as at December 31, 2024:

#### a) Credit risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to pay the amounts owing to the Municipality. The Municipality is exposed to this risk arising from its cash, portfolio investments, and accounts receivables.

The Municipality holds its cash accounts with a provincially regulated credit union who is insured by the Financial Services Regulatory Authority of Ontario (FRSA). In the event of default, the Municipality's cash accounts are insured up to \$250,000 (2023 - \$250,000).

The Municipality's investment policy operates within the constraints of the investment guidelines laid out in the Municipal Act which puts limits on the types of investments the Municipality may invest in, lays out composition of its investment portfolio, specifies the bond quality limits and issuer type limits and general guidelines for geographical exposure. The Act permits the Municipality's funds to be invested in bonds issued by the Government of Canada or a Canadian province having a rating of A or better, or corporate investments having a rating of AAA (high) or better. It also limits its investments in pooled funds to Canadian money market funds and bond funds.

Accounts receivable is primarily due from government, corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Municipality measures its exposure to credit risk based on how long the amounts have been outstanding.

There were no changes in exposures to credit risk during the period.



## TOWNSHIP OF WAINFLEET

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

#### 26. Financial instruments (continued)

##### b) Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet all cash outflow obligations as they come due. The Municipality mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining adequate cash levels. The following undiscounted cash-flows are required to settle the Municipality's financial liabilities:

2024					
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Accounts payable	\$ 1,149,959	\$ 175,854	\$ -	\$ -	\$ 1,325,813
Long term debt	373,484	386,548	1,248,838	3,461,698	5,470,568
Total	\$ 1,523,443	\$ 562,402	\$ 1,248,838	\$ 3,461,698	\$ 6,796,381

2023					
	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Accounts payable	\$ 2,523,707	\$ 290,540	\$ -	\$ -	\$ 2,814,247
Long term debt	3,148,514	150,497	471,870	205,647	3,976,528
Total	\$ 5,962,761	\$ 147,383	\$ 461,462	\$ 327,371	\$ 6,906,301

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

# TOWNSHIP OF WAINFLEET

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 27. Financial instruments (continued)

#### c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Municipality operates within the constraints of the investment guidelines in the Municipal Act. The investment portfolio is monitored by management and the investment managers.

Interest rate risk is the potential for financial loss caused by fluctuations in the fair value or future cash flows of financial instruments because of changes in market interest rates. The Municipality is exposed to this risk through its interest-bearing investments. The long term debt held by the Municipality is at a fixed rate and therefore is not exposed to this risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The Municipality is exposed to other price risk related to its investments in equity instruments. As described in the credit risk section, the Municipality's investment policy operates within the constraints of the investment guidelines laid out in the Municipal Act which puts limits on the types of investments the Municipality may invest in. The investments are limited to equity instruments in long-term Canadian financial institutions. The amount invested in equity instruments and subject to price risk is not considered to be significant.

### 28. Budget

The budget bylaw adopted by Council on November 21, 2023 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	\$ (898)
Add:	
Acquisition of tangible capital assets	4,701,692
Principal repayments of long-term debt	283,464
Less:	
Transfers from reserves and reserve funds, net	(31,978)
Amortization of tangible capital assets	(2,136,369)
Budgeted surplus per Consolidated Statement of Operations	\$ 2,815,911

## TOWNSHIP OF WAINFLEET

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 29. 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 enforcements 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 cultural 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.

## TOWNSHIP OF WAINFLEET

### CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2024

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>2024</u>
<b>Cost</b>								
Beginning of year	\$ 1,058,769	\$ 2,908,586	\$ 12,852,273	\$ 4,538,582	\$ 3,650,460	\$ 19,089,262	\$ 2,420,944	\$ 46,518,876
Additions	-	1,259,381	276,511	216,062	1,406,453	2,246,304	727,929	6,132,640
Disposal	(1,810)	(209,607)	(2,472)	(243,985)	(323,497)	(92,742)	(3,068,471)	(3,942,584)
End of Year	1,056,959	3,958,360	13,126,312	4,510,659	4,733,416	21,242,824	80,402	48,708,932
<b>Accumulated amortization</b>								
Beginning of year	-	995,111	3,159,900	2,300,916	1,724,195	10,192,102	-	18,372,224
Amortization	-	200,942	536,876	420,178	301,103	681,858	-	2,140,957
Amortization on disposals	-	(183,264)	(1,337)	(243,308)	(323,497)	(91,674)	-	(843,080)
End of year	-	1,012,789	3,695,439	2,477,786	1,701,801	10,782,286	-	19,670,101
<b>Net book value</b>	\$ 1,056,959	\$ 2,945,571	\$ 9,430,873	\$ 2,032,873	\$ 3,031,615	\$ 10,460,538	\$ 80,402	\$ 29,038,831

Contributed tangible capital assets are recognized at fair market value at the date of contribution. There were no contributed assets during the year.

## TOWNSHIP OF WAINFLEET

### CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>2023</u>
<b>Cost</b>								
Beginning of year	\$ 1,058,769	\$ 1,834,466	\$ 5,870,738	\$ 4,234,674	\$ 3,395,008	\$ 18,266,545	\$ 3,743,244	\$ 38,403,444
Additions	-	1,074,120	7,023,450	659,877	278,672	837,263	6,012,085	15,885,467
Disposal	-	-	(41,915)	(355,969)	(23,220)	(14,546)	(7,334,385)	(7,770,035)
End of Year	1,058,769	2,908,586	12,852,273	4,538,582	3,650,460	19,089,262	2,420,944	46,518,876
<b>Accumulated amortization</b>								
Beginning of year	-	863,747	2,683,019	2,203,080	1,528,686	9,492,210	-	16,770,742
Amortization	-	128,693	514,700	452,869	218,729	711,353	-	2,026,344
Amortization on disposals	-	2,671	(37,819)	(355,033)	(23,220)	(11,461)	-	(424,862)
End of year	-	995,111	3,159,900	2,300,916	1,724,195	10,192,102	-	18,372,224
<b>Net book value</b>	\$ 1,058,769	\$ 1,913,475	\$ 9,692,373	\$ 2,237,666	\$ 1,926,265	\$ 8,897,160	\$ 2,420,944	\$ 28,146,652

Contributed tangible capital assets are recognized at fair market value at the date of contribution. The value of contributed asset during the year is \$10,250.

# TOWNSHIP OF WAINFLEET

## CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE

For the Year Ended December 31, 2024

	<u>General Government</u>	<u>Protection to Persons and Property</u>	<u>Transportation Services</u>	<u>Health Services</u>	<u>Social and Family Services</u>	<u>Recreation and Cultural Services</u>	<u>Planning and Development</u>	<u>2024</u>
<b>Revenues</b>								
Taxation	\$ 553,782	\$ 2,256,119	\$ 4,558,435	\$ 113,892	\$ 12,048	\$ 1,057,773	\$ 606,016	<b>\$ 9,158,065</b>
User charges	-	211,257	152,358	203,382	-	233,445	123,492	<b>923,934</b>
Government transfers	518,101	87,040	329,676	6,955	-	100,349	66,517	<b>1,108,638</b>
Other	54,891	890,853	937,490	70,166	720	74,177	42,352	<b>2,070,649</b>
	<b>1,126,774</b>	<b>3,445,269</b>	<b>5,977,959</b>	<b>394,395</b>	<b>12,768</b>	<b>1,465,744</b>	<b>838,377</b>	<b>13,261,286</b>
<b>Expenses</b>								
Salaries, wages and benefits	1,106,158	1,330,251	1,161,221	251,879	-	921,548	586,597	<b>5,357,654</b>
Operating materials and supplies	348,021	638,230	1,321,741	49,192	-	419,632	443,236	<b>3,220,052</b>
Contracted services	32,456	-	9,684	-	-	-	-	<b>42,140</b>
Rents and financial expenses	12,576	51,276	1,788	-	-	5,492	-	<b>71,132</b>
External transfer to others	56,197	47,391	-	-	21,576	-	-	<b>125,164</b>
Amortization	142,377	668,492	960,750	6,676	-	349,783	12,879	<b>2,140,957</b>
Debt service	-	223,719	-	-	-	21,300	-	<b>245,019</b>
Interfunctional adjustments	(49,890)	49,890	-	-	-	-	-	<b>-</b>
	<b>1,647,895</b>	<b>3,009,249</b>	<b>3,455,184</b>	<b>307,747</b>	<b>21,576</b>	<b>1,717,755</b>	<b>1,042,712</b>	<b>11,202,118</b>
<b>Annual surplus (deficit)</b>	<b>\$ (521,121)</b>	<b>\$ 436,020</b>	<b>\$ 2,522,776</b>	<b>\$ 86,648</b>	<b>\$ (8,808)</b>	<b>\$ (252,011)</b>	<b>\$ (204,335)</b>	<b>\$ 2,059,168</b>

# TOWNSHIP OF WAINFLEET

## CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE

For the Year Ended December 31, 2023

	<u>General Government</u>	<u>Protection to Persons and Property</u>	<u>Transportation Services</u>	<u>Health Services</u>	<u>Social and Family Services</u>	<u>Recreation and Cultural Services</u>	<u>Planning and Development</u>	<u>2023</u>
<b>Revenues</b>								
Taxation	\$ 691,326	\$ 2,530,792	\$ 3,957,152	\$ 125,292	\$ 6,005	\$ 1,081,737	\$ 120,493	\$ 8,512,797
User charges	-	211,842	185,648	194,211	-	218,533	132,564	942,798
Government transfers	516,800	-	404,996	-	-	626,397	57,168	1,605,361
Other	65,606	633,819	421,041	60,362	413	118,887	21,218	1,321,346
	1,273,732	3,376,453	4,968,837	379,865	6,418	2,045,554	331,443	12,382,302
<b>Expenses</b>								
Salaries, wages and benefits	1,133,091	1,067,486	1,095,032	238,547	-	903,509	525,359	4,963,024
Operating materials and supplies	408,960	620,392	1,123,651	60,103	-	407,486	442,391	3,062,983
Contracted services	37,557	-	8,298	-	-	-	-	45,855
Rents and financial expenses	10,978	8,498	1,755	-	-	5,080	-	26,311
External transfer to others	52,627	41,748	-	-	15,163	-	-	109,538
Amortization	130,898	618,066	986,433	6,382	-	271,590	12,975	2,026,344
Debt service	-	147,929	-	-	-	24,191	-	172,120
Interfunctional adjustments	(50,462)	50,462	-	-	-	-	-	-
	1,723,649	2,554,581	3,215,169	305,032	15,163	1,611,856	980,725	10,406,175
<b>Annual surplus (deficit)</b>	\$ (449,917)	\$ 821,872	\$ 1,753,668	\$ 74,833	\$ (8,745)	\$ 433,698	\$ (649,282)	\$ 1,976,127

# TOWNSHIP OF WAINFLEET

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE WITH BUDGET INFORMATION

For the Year Ended December 31, 2024

<b>General government</b>			
	Budget	2024	2023
<b>Revenues</b>			
Taxation	\$ 555,429	\$ 553,782	\$ 691,326
Government transfers	518,100	518,100	516,800
Other	44,721	54,891	65,606
	1,118,250	1,126,774	1,273,732
<b>Expenses</b>			
Salaries, wages and benefits	1,100,470	1,106,158	1,133,091
Operating materials and supplies	459,215	348,021	408,960
Contracted services	34,300	32,456	37,557
Rents and financial expenses	8,600	12,576	10,978
External transfers to others	35,000	56,197	52,627
Amortization	142,377	142,377	130,898
Interfunctional adjustments	-	(49,890)	(50,462)
	1,779,962	1,647,895	1,723,649
<b>Annual deficit</b>	\$ (661,712)	\$ (521,121)	\$ (449,917)

  

<b>Protection to persons and property</b>			
	Budget	2024	2023
<b>Revenues</b>			
Taxation	\$ 2,262,822	\$ 2,256,119	\$ 2,530,792
User charges	391,120	211,257	211,842
Government transfers	91,614	87,040	-
Other	417,886	890,853	633,819
	3,163,442	3,445,269	3,376,453
<b>Expenses</b>			
Salaries, wages and benefits	1,172,070	1,330,251	1,067,486
Operating materials and supplies	600,364	638,230	620,392
Rents and financial expenses	2,390	51,276	8,498
External transfers to others	45,856	47,391	41,748
Amortization	668,492	668,492	618,066
Debt service	246,185	223,719	147,929
Interfunctional adjustments	-	49,890	50,462
	2,735,357	3,009,249	2,554,581
<b>Annual surplus</b>	\$ 428,085	\$ 436,020	\$ 821,872



# TOWNSHIP OF WAINFLEET

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE WITH BUDGET INFORMATION

For the Year Ended December 31, 2024

<b>Transportation services</b>			
	Budget	2024	2023
<b>Revenues</b>			
Taxation	\$ 4,571,979	\$ 4,558,435	\$ 3,957,152
User charges	108,471	152,358	185,648
Government transfers	1,767,505	329,677	404,996
Other	324,935	937,490	421,041
	6,772,890	5,977,959	4,968,837
<b>Expenses</b>			
Salaries, wages and benefits	1,234,610	1,161,221	1,095,032
Operating materials and supplies	1,206,389	1,321,741	1,123,651
Contracted services	8,000	9,684	8,298
Rents and financial expenses	-	1,788	1,755
Amortization	956,162	960,750	986,433
	3,405,161	3,455,184	3,215,169
<b>Annual surplus</b>	\$ 3,367,729	\$ 2,522,775	\$ 1,753,668
<b>Health services</b>			
	Budget	2024	2023
<b>Revenues</b>			
Taxation	\$ 114,230	\$ 113,892	\$ 125,292
User charges	188,810	203,382	194,211
Government transfers	-	6,955	-
Other	23,845	70,166	60,362
	326,885	394,395	379,865
<b>Expenses</b>			
Salaries, wages and benefits	248,780	251,879	238,547
Operating materials and supplies	39,765	49,192	60,103
Amortization	6,676	6,676	6,382
	295,221	307,747	305,032
<b>Annual surplus</b>	\$ 31,664	\$ 86,648	\$ 74,833

# TOWNSHIP OF WAINFLEET

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE WITH BUDGET INFORMATION

For the Year Ended December 31, 2024

<b>Social and family services</b>				
	Budget		2024	2023
<b>Revenues</b>				
Taxation	\$	12,083	\$ 12,048	\$ 6,005
Other		618	720	413
		12,701	12,768	6,418
<b>Expenses</b>				
External transfer to others		21,576	21,576	15,163
<b>Annual deficit</b>	\$	(8,875)	\$ (8,808)	\$ (8,745)

<b>Recreation and cultural services</b>				
	Budget		2024	2023
<b>Revenues</b>				
Taxation	\$	1,060,915	\$ 1,057,773	\$ 1,081,737
User charges		211,450	233,445	218,533
Government transfers		66,376	100,349	626,397
Other		69,436	74,177	118,887
		1,408,177	1,465,744	2,045,554
<b>Expenses</b>				
Salaries, wages and benefits		905,580	921,548	903,509
Operating materials and supplies		436,015	419,632	407,486
Rents and financial expenses		-	5,492	5,080
Amortization		349,783	349,783	271,590
Debt service		21,300	21,300	24,191
		1,712,678	1,717,755	1,611,856
<b>Annual (deficit) surplus</b>	\$	(304,501)	\$ (252,011)	\$ 433,698

# TOWNSHIP OF WAINFLEET

## CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

### WITH BUDGET INFORMATION

For the Year Ended December 31, 2024

<b>Planning and development</b>			
	Budget	2024	2023
<b>Revenues</b>			
Taxation	\$ 607,817	\$ <b>606,016</b>	\$ 120,493
User charges	63,050	<b>123,492</b>	132,564
Government transfers	58,552	<b>66,517</b>	57,168
Other	37,581	<b>42,352</b>	21,218
	767,000	<b>838,377</b>	331,443
<b>Expenses</b>			
Salaries, wages and benefits	500,950	<b>586,597</b>	525,359
Operating materials and supplies	289,650	<b>443,236</b>	442,391
Amortization	12,879	<b>12,879</b>	12,975
	803,479	<b>1,042,712</b>	980,725
<b>Annual deficit</b>	\$ (36,479)	\$ <b>(204,335)</b>	\$ (649,282)

FINANCIAL STATEMENT

**TOWNSHIP OF WAINFLEET TRUST FUNDS**

DECEMBER 31, 2024

# 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, 2024, 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, 2024, 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.

*Doane Grant Thornton LLP*

Port Colborne, Canada  
May 22, 2025

Chartered Professional Accountants  
Licensed Public Accountants

## TOWNSHIP OF WAINFLEET TRUST FUNDS

### STATEMENT OF FINANCIAL POSITION

For the Year Ended December 31, 2024

	Cemetery Perpetual Care Fund	Cemetery Care and Maintenance Fund	<u>2024</u>	<u>2023</u>
<b>Financial assets</b>				
Cash and cash equivalents	\$ 813,547	\$ 86,675	\$ 900,222	\$ 851,077
Interfund advances	137	(137)	-	-
Portfolio Investments (Note 2)	214,769	131,017	345,786	325,089
	1,028,453	217,555	1,246,008	1,176,166
<b>Financial liabilities</b>				
Due to the Township (Note 3)	48,151	17,274	65,425	47,370
<b>Net financial assets</b>	\$ 980,302	\$ 200,281	\$ 1,180,583	\$ 1,128,796

*See accompanying notes to financial statements*

## TOWNSHIP OF WAINFLEET TRUST FUNDS

### STATEMENT OF OPERATIONS AND CHANGES IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2024

	Cemetery Perpetual Care Fund	Cemetery Care and Maintenance Fund	<u>2024</u>	<u>2023</u>
<b>Revenues</b>				
Care and maintenance agreements	\$ 43,187	\$ 8,600	\$ 51,787	\$ 40,325
Interest	48,873	14,505	63,378	51,753
	92,060	23,105	115,165	92,078
<b>Expenses</b>				
Interest earned distributed to the Township	48,873	14,505	63,378	51,753
<b>Excess of revenues over expenses</b>	43,187	8,600	51,787	40,325
<b>Net assets</b>				
Beginning of year	937,115	191,681	1,128,796	1,088,471
End of year	\$ 980,302	\$ 200,281	\$ 1,180,583	\$ 1,128,796

*See accompanying notes to financial statements*



# TOWNSHIP OF WAINFLEET TRUST FUNDS

## STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2024

	2024	2023
<b>Net Increase (decrease) in cash and cash equivalents</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 51,787	\$ 40,325
Increase in due to from the Township	18,055	30,492
	<b>69,842</b>	<b>70,817</b>
<b>Investing activities</b>		
Increase in investments - net	(20,697)	(9,613)
<b>Net increase in cash and cash equivalents</b>	<b>49,145</b>	<b>61,204</b>
<b>Cash and cash equivalents</b>		
Beginning of year	851,077	789,873
End of year	<b>\$ 900,222</b>	<b>\$ 851,077</b>

*See accompanying notes to the financial statements.*

# TOWNSHIP OF WAINFLEET TRUST FUNDS

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

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### 1. 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) 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.

##### *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, interest receivable, due from the Township and investments.

For financial assets measured at cost, the Trust Funds regularly assesses 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.

#### (d) Revenue recognition

Revenue is recorded when it is earned and collection is reasonably assured. Interest income earned on investments is recorded as revenue in the period earned.

### 2. Due from the Township

The amount due from the Township of Wainfleet has no fixed terms of repayment.

### 3. Portfolio investments

Portfolio investments are recorded at cost and have an estimated market value of \$366,261 (2023 - \$336,700).