

Financial Report

Township of Wainfleet

2016

# Contents

	<b>Page</b>
Independent Auditor's Report	1-2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7-20
Consolidated Schedule of Tangible Capital Assets	21-22
Consolidated Schedule of Segment Disclosure	23-24
Consolidated Schedule of Segment Disclosure with Budget Information	25-28
 <b>Trust Funds</b>	
Independent Auditor's Report	29-30
Consolidated Statement of Operations	31
Consolidated Statement of Financial Position	31
Notes to the Consolidated Financial Statements	32



# Independent auditor's report

Grant Thornton LLP  
Suite B  
222 Catharine Street, PO Box 336  
Port Colborne, ON  
L3K 5W1

T +1 905 834 3651  
F +1 905 834 5095  
E [PortColborne@ca.gt.com](mailto:PortColborne@ca.gt.com)  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

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

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Wainfleet, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Township of Wainfleet as at December 31, 2016, and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Port Colborne, Canada  
November 14, 2017

Chartered Professional Accountants  
Licensed Public Accountants

# Township of Wainfleet

## Consolidated Statement of Financial Position

As at December 31 2016 2015

	2016	2015
<b>Financial assets</b>		
Cash and cash equivalents	\$ 3,140,974	\$ 3,401,134
Portfolio investments (Note 2)	34,301	33,635
Taxes receivable	944,058	1,149,246
Tile drain loans receivable	30,871	40,852
Accounts receivable	629,277	366,091
	<b>4,779,481</b>	<b>4,990,958</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	1,170,298	641,935
Other liabilities	364,008	343,964
Deferred revenue for development purposes (Note 4)	242,869	232,815
Long term debt (Note 5)	164,563	232,267
Employee benefit obligations (Notes 6 and 14)	134,713	120,600
	<b>2,076,451</b>	<b>1,571,581</b>
<b>Net financial assets</b>	<b>2,703,030</b>	<b>3,419,377</b>
<b>Non-financial assets</b>		
Tangible capital assets (Pages 21 and 22)	13,114,381	11,822,458
Other assets	129,326	195,226
	<b>13,243,707</b>	<b>12,017,684</b>
<b>Accumulated surplus (Note 7)</b>	<b>\$ 15,946,737</b>	<b>\$ 15,437,061</b>

Contingencies (Note 18)

Approved by

\_\_\_\_\_  
Chief Administrative Officer

  
\_\_\_\_\_  
Treasurer

See accompanying notes and schedules to the consolidated financial statements

# Township of Wainfleet

## Consolidated Statement of Operations

For the Year Ended December 31, 2016

	Budget 2016 (Note 16)	Actual 2016	Actual 2015
<b>Revenue</b>			
Taxation (Note 9)	\$ 5,030,546	\$ 5,072,343	\$ 4,856,617
User charges (Note 11)	603,061	681,042	801,891
Government transfers (Note 12)	1,208,373	1,186,993	931,251
Other (Note 13)	<u>356,550</u>	<u>408,639</u>	<u>428,991</u>
	<u>7,198,530</u>	<u>7,349,017</u>	<u>7,018,750</u>
<b>Expenses</b>			
General government	1,081,264	1,365,075	977,860
Protection to persons and property	1,067,181	1,079,965	1,014,965
Transportation services	2,519,102	2,451,321	2,242,588
Health services	255,287	289,131	244,776
Social and family services	19,400	19,127	19,345
Recreation and culture services	1,171,321	1,088,457	1,032,831
Planning and development	<u>348,060</u>	<u>546,265</u>	<u>492,691</u>
	<u>6,461,615</u>	<u>6,839,341</u>	<u>6,025,056</u>
<b>Annual surplus</b>	736,915	509,676	993,694
<b>Accumulated surplus (Note 7)</b>			
Beginning of year	<u>15,437,061</u>	<u>15,437,061</u>	<u>14,443,367</u>
End of year	<u>\$ 16,173,976</u>	<u>\$ 15,946,737</u>	<u>\$ 15,437,061</u>

See accompanying notes and schedules to the consolidated financial statements

---

**Township of Wainfleet**  
**Consolidated Statement of Changes in Net Financial Assets**  
For the Year Ended December 31, 2016

---

	Budget 2016 (Note 16)	Actual 2016	Actual 2015
Annual surplus	\$ 736,915	\$ 509,676	\$ 993,694
Amortization of tangible capital assets	1,013,960	1,013,953	937,115
Acquisition of tangible capital assets	(2,246,250)	(2,309,853)	(1,762,169)
Proceeds on sale of tangible capital assets	-	28,844	4,570
Gain on sale of tangible capital assets	-	(24,867)	(4,053)
	<u>(495,375)</u>	<u>(782,247)</u>	<u>169,157</u>
(Acquisition) use of inventory	-	(446)	1,070
Use (acquisition) of prepaid expenses	-	66,346	(18,716)
	-	<u>65,900</u>	<u>(17,646)</u>
(Decrease) increase in net financial assets	(495,375)	(716,347)	151,511
<b>Net financial assets</b>			
Beginning of year	<u>3,419,377</u>	<u>3,419,377</u>	<u>3,267,866</u>
End of year	<u>\$ 2,924,002</u>	<u>\$ 2,703,030</u>	<u>\$ 3,419,377</u>

---

See accompanying notes and schedules to the consolidated financial statements

# Township of Wainfleet

## Consolidated Statement of Cash Flows

For the Year Ended December 31

2016

2015

### Increase (decrease) in cash and cash equivalents

<b>Operating activities</b>		
Annual surplus	\$ 509,676	\$ 993,694
Non-cash items		
Amortization	1,013,953	937,115
Decrease in taxes receivable	205,188	213,366
Decrease in tile drain loans receivable	9,981	13,530
Increase in accounts receivable	(263,186)	(105,295)
Increase in accounts payable and accrued liabilities	528,363	290,765
Increase (decrease) in other liabilities	20,044	(28,419)
Increase (decrease) in deferred revenue for development purposes	10,054	(23,151)
Decrease (increase) in other assets	<u>65,900</u>	<u>(17,646)</u>
	<u>2,099,973</u>	<u>2,273,959</u>
<b>Capital activities</b>		
Proceeds on sale of tangible capital assets	28,844	4,570
Gain on sale of tangible capital assets	(24,867)	(4,053)
Acquisition of tangible capital assets	<u>(2,309,853)</u>	<u>(1,762,169)</u>
	<u>(2,305,876)</u>	<u>(1,761,652)</u>
<b>Financing activities</b>		
Repayment of long term debt	(67,704)	(68,655)
Increase (decrease) in employee benefit obligations	<u>14,113</u>	<u>(3,266)</u>
	<u>(53,591)</u>	<u>(71,921)</u>
<b>Investing activities</b>		
Increase in portfolio investments	<u>(666)</u>	<u>(707)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(260,160)</b>	<b>439,679</b>
<b>Cash and cash equivalents</b>		
Beginning of year	<u>3,401,134</u>	<u>2,961,455</u>
End of year	<u>\$ 3,140,974</u>	<u>\$ 3,401,134</u>

Cash and cash equivalents consist of:

Cash on hand	\$ 1,750	\$ 1,750
Balances with banks	<u>3,139,224</u>	<u>3,399,384</u>
	<u>\$ 3,140,974</u>	<u>\$ 3,401,134</u>

See accompanying notes and schedules to the consolidated financial statements



---

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

### 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 Airport Commission (Joint Board)

Related party transactions are eliminated (Note 17).

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

#### (b) Basis of accounting

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

#### (c) Cash and cash equivalents

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

---

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

### 1. Significant accounting policies (continued)

#### (d) Portfolio investments

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

#### (e) Tile drain loans receivable

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

#### (f) Deferred revenue

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

#### (g) Employee future benefits

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

#### (h) Tangible capital assets

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

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

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

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

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

---

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

### 1. Significant accounting policies (continued)

#### (h) Tangible capital assets (continued)

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

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

#### (i) Inventories

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

#### (j) Contaminated sites liability

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

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

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

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

#### (k) Reserves for future expenses

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

---

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

### 1. Significant accounting policies (continued)

#### (l) Revenue recognition

##### i) Taxation

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

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

##### ii) User charges

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

##### iii) Government transfers

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

##### iv) Other

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

##### v) Investment income

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

#### (m) Region and school board transactions

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

---

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

### 1. Significant accounting policies (continued)

#### (n) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates relate to the allowance for accrued liabilities, employee future benefits, contaminated sites and useful lives of tangible capital assets. Actual results could differ from those estimates.

---

### 2. Portfolio investments

Portfolio investments consist of Municipal Government Bonds and Canadian Government Bonds. Portfolio investments reported on the Consolidated Statement of Financial Position have a market value of \$ 37,665 (2015 - \$ 36,219).

---

### 3. Credit facilities

The Municipality has an authorized operating line of credit due on demand of \$ 1,550,000 bearing interest at prime less 0.375% to assist with regular ongoing working capital requirements. As at December 31, 2016, \$ Nil has been drawn on the operating line. The operating line is secured by a borrowing by-law containing a pledge of revenues.

---

<b>4. Deferred revenue for development purposes</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Lot levies and subdivider contributions	\$ 40,409	\$ 39,683
Development charges	<u>202,460</u>	<u>193,132</u>
	<b><u>\$ 242,869</u></b>	<b><u>\$ 232,815</u></b>
The deferred revenue is made up of the following:		
Balance, beginning of year	\$ 232,815	\$ 255,966
Contributions from		
Development Charges Act	58,837	65,180
Lot levies and subdivider contributions	-	5,100
Interest earned	1,217	1,628
Transfer to operations	<u>(50,000)</u>	<u>(95,059)</u>
Balance, end of year	<b><u>\$ 242,869</u></b>	<b><u>\$ 232,815</u></b>

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

**5. Long term debt** 2016 2015

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

Long term debt incurred by the Municipality	<b>\$ 119,537</b>	\$ 173,744
Capital lease obligations	<b>14,155</b>	17,671
Long term debt issued by the Region of Niagara which the Municipality has assumed responsibility for the payment of principal and interest. The Municipality is contingently liable for these long term debts related to tile drainage and shoreline property assistance loans	<u><b>30,871</b></u>	<u>40,852</u>
Net long term debt	<u><b>\$ 164,563</b></u>	<u>\$ 232,267</u>

(b) The net long term debt:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>2016</u>	<u>2015</u>
Excavator	4.50	2018	<b>\$ 39,180</b>	\$ 57,514
Fire truck	4.50	2020	<b>76,589</b>	93,719
Pickup truck	4.00	2017	<b>3,768</b>	7,392
International Workstar	4.00	2016	-	15,119
Leased equipment - photocopiers	Various	2018-2019	<b>14,155</b>	17,671
Tile drains	6.00	2016-2021	<u><b>30,871</b></u>	<u>40,852</u>
			<u><b>\$ 164,563</b></u>	<u>\$ 232,267</u>

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

2017	\$ 55,310
2018	47,585
2019	28,617
2020	27,527
2021	5,524

(d) Interest paid during the year amounted to \$ 11,894 (2015 - \$ 15,303).

---

## Township of Wainfleet

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

<b>6. Employee benefit obligations</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Post-employment benefits	<b><u>\$ 134,713</u></b>	<b><u>\$ 120,600</u></b>

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.

---

<b>7. Accumulated surplus</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Consists of:		
Surpluses (deficits)		
Township	\$ (929,991)	\$ (392,795)
Library	7,179	3,969
Niagara Central Airport Commission (Note 17)	<u>6,519</u>	<u>9,259</u>
	<u>(916,293)</u>	<u>(379,567)</u>
Investment in tangible capital assets	<u>13,114,381</u>	<u>11,822,458</u>
Unfunded:		
Long term debt	(164,563)	(232,267)
Employee benefit obligations	<u>(134,713)</u>	<u>(120,600)</u>
	<u>(299,276)</u>	<u>(352,867)</u>
Reserves and reserve funds (Note 8)	<u>4,047,925</u>	<u>4,347,037</u>
	<b><u>\$ 15,946,737</u></b>	<b><u>\$ 15,437,061</u></b>

---

## Township of Wainfleet

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

<b>8. Reserves and reserve funds balances</b>	<u>2016</u>	<u>2015</u>
<b>Reserves set aside for specific purposes by Council</b>		
Working capital	\$ 800,000	\$ 800,000
Building permits	120,283	104,038
Insurance	160,000	160,000
Winter control	150,000	150,000
Elections	42,500	42,500
Capital expenses	<u>2,773,689</u>	<u>3,089,857</u>
	<b>4,046,472</b>	<b>4,346,395</b>
<b>Reserve funds</b>		
Library donations	<u>1,453</u>	<u>642</u>
	<b>\$ 4,047,925</b>	<b>\$ 4,347,037</b>

---

<b>9. Taxation</b>	Budget <u>2016</u>	Actual <u>2016</u>	Actual <u>2015</u>
Real property	\$ 12,270,967	\$ 12,403,247	\$ 12,156,226
From other governments			
Payments in lieu of taxes	<u>31,308</u>	<u>32,789</u>	<u>30,309</u>
	<u>12,302,275</u>	<u>12,436,036</u>	<u>12,186,535</u>
Less: taxation collected on behalf of			
Region of Niagara (Note 10)	5,432,030	5,506,124	5,462,141
School boards (Note 10)	<u>1,839,699</u>	<u>1,857,569</u>	<u>1,867,777</u>
	<u>7,271,729</u>	<u>7,363,693</u>	<u>7,329,918</u>
Net taxes available for municipal purposes	<u>\$ 5,030,546</u>	<u>\$ 5,072,343</u>	<u>\$ 4,856,617</u>
Residential and farm	\$ 4,730,552	\$ 4,746,751	\$ 4,561,432
Commercial	247,138	272,736	235,344
Industrial	<u>52,856</u>	<u>52,856</u>	<u>59,841</u>
Net taxes available for municipal purposes	<u>\$ 5,030,546</u>	<u>\$ 5,072,343</u>	<u>\$ 4,856,617</u>



---

## Township of Wainfleet

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

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

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

	<u>2016</u>	<u>2015</u>
Region of Niagara	\$ 5,506,124	\$ 5,462,141
School boards	<u>1,857,569</u>	<u>1,867,777</u>
	<u>\$ 7,363,693</u>	<u>\$ 7,329,918</u>

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

---

11. User charges	Budget <u>2016</u>	Actual <u>2016</u>	Actual <u>2015</u>
<b>Operating</b>			
Fees and service charges	\$ 408,761	\$ 414,949	\$ 433,361
Licences and permits	<u>194,300</u>	<u>204,873</u>	<u>262,840</u>
	<u>603,061</u>	<u>619,822</u>	<u>696,201</u>
<b>Capital</b>			
Contributions from developers	-	50,000	89,649
Special charges	<u>-</u>	<u>11,220</u>	<u>16,041</u>
	<u>-</u>	<u>61,220</u>	<u>105,690</u>
	<u>\$ 603,061</u>	<u>\$ 681,042</u>	<u>\$ 801,891</u>

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

12. Government transfers	Budget 2016	Actual 2016	Actual 2015
<b>Operating</b>			
Government of Canada	\$ 2,700	\$ 6,751	\$ 3,960
Province of Ontario	666,765	688,477	622,788
Other municipalities	<u>30,165</u>	<u>16,630</u>	<u>71,238</u>
	<u>699,630</u>	<u>711,858</u>	<u>697,986</u>
<b>Capital</b>			
Government of Canada	483,743	450,135	189,450
Province of Ontario	<u>25,000</u>	<u>25,000</u>	<u>43,815</u>
	<u>508,743</u>	<u>475,135</u>	<u>233,265</u>
	<u>\$ 1,208,373</u>	<u>\$ 1,186,993</u>	<u>\$ 931,251</u>
<b>13. Other revenue</b>			
	Budget 2016	Actual 2016	Actual 2015
<b>Operating</b>			
Penalties and interest on taxes	\$ 200,000	\$ 166,965	\$ 201,264
Fines	36,650	25,382	33,149
Rents and leases	4,850	8,695	11,938
Interest income	40,000	41,252	43,861
Interest income – reserves and reserve funds	-	56	33
Donations	-	7,066	3,526
Other	<u>75,050</u>	<u>124,706</u>	<u>90,655</u>
	<u>356,550</u>	<u>374,122</u>	<u>384,426</u>
<b>Capital</b>			
Contributed tangible capital assets	-	9,650	40,512
Gain on disposal of tangible capital assets	<u>-</u>	<u>24,867</u>	<u>4,053</u>
	<u>-</u>	<u>34,517</u>	<u>44,565</u>
	<u>\$ 356,550</u>	<u>\$ 408,639</u>	<u>\$ 428,991</u>

---

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

### 14. Pension agreements

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

Since OMERS is a multi-employer pension plan, the Municipality does not recognize any share of the pension plan deficit of \$ 2.3 billion (2015 - \$ 5.3 billion) based on the actuarial valuation of the pension benefit obligation, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2016 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 2016 current and past service was \$ 206,253 (2015 - \$ 196,449) and were matched by employee contributions in a similar amount.

---

### 15. Corporation of the Township of Wainfleet - Trust funds

Trust funds administered by the Municipality amounting to \$ 826,170 (2015 - \$ 798,544) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

---

### 16. Budget

The budget by-law adopted by Council on May 3, 2016 was not prepared on a basis consistent with that used to report actual results in accordance with Canadian public sector accounting standards. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. As a result, the budget figures presented in the Consolidated Statement of Operations and Consolidated Statement of Changes in Net Financial Assets represent the budget adopted by Council with the following adjustments:

Budgeted annual surplus (deficit)	\$	118
Add:		
Acquisition of tangible capital assets		2,246,250
Transfers to reserves		557,447
Repayment of long term debt		71,502
Less:		
Transfers from reserves		(543,442)
Proceeds from debt		(581,000)
Amortization of tangible capital assets		<u>(1,013,960)</u>
Budgeted surplus per Consolidated Statement of Operations	\$	<u>736,915</u>

---

## Township of Wainfleet

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

#### 17. Niagara Central Airport Commission

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

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

	<u>2016</u>	<u>2015</u>
<b>Financial assets</b>		
Cash and temporary investments	\$ 87,329	\$ 125,564
Receivables	<u>40,659</u>	<u>17,710</u>
	<u>127,988</u>	<u>143,274</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	<u>44,763</u>	<u>14,552</u>
<b>Net financial assets</b>	<u>83,225</u>	<u>128,722</u>
<b>Non-financial assets</b>		
Prepaid expenses	1,354	1,354
Fuel inventory	24,712	18,347
Tangible capital assets	<u>1,238,403</u>	<u>1,132,862</u>
	<u>1,264,469</u>	<u>1,152,563</u>
<b>Accumulated surplus</b>	<u>\$ 1,347,694</u>	<u>\$ 1,281,285</u>
<b>Accumulated surplus consists of:</b>		
Operating surplus	\$ 93,127	\$ 132,259
Reserves	16,164	16,164
Investment in tangible capital assets	<u>1,238,403</u>	<u>1,132,862</u>
	<u>\$ 1,347,694</u>	<u>\$ 1,281,285</u>
<b>Revenues</b>		
Grants	\$ 84,450	\$ 82,800
Fuel and rentals	152,110	109,079
Interest	477	935
<b>Expenses</b>	<u>(170,627)</u>	<u>(166,679)</u>
<b>Annual surplus</b>	<u>\$ 66,410</u>	<u>\$ 26,135</u>

---

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2016

---

### 17. Niagara Central Airport Commission (continued)

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2016 and the results of operations are as reported for the year ended December 31, 2016. The comparative financial position and results of operations figures are as reported by the Niagara Central Airport Commission at December 31, 2015.

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

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

	<u>2016</u>	<u>2015</u>
Government transfers	<u>\$ 5,911</u>	<u>\$ 5,796</u>

---

### 18. Contingencies

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

---

### 19. Liabilities for contaminated sites

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

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

---

# **Township of Wainfleet**

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

For the Year Ended December 31, 2016

---

### **20. Segmented information**

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

#### **General government**

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

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

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

#### **Transportation services**

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

#### **Health services**

Health services department is responsible for cemetery operations.

#### **Social and family services**

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

#### **Recreation and culture services**

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

#### **Planning and development**

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

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. The consolidated schedules of segment disclosure and the schedules of segment disclosure with budget information follow the notes.

## Township of Wainfleet Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2016

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

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

## Township of Wainfleet Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2015

	Land	Land Improvements	Buildings	Machinery and Equipment	Infrastructure	Vehicles	Construction in Process	2015
<b>Cost</b>								
Beginning of year	\$ 616,353	\$ 909,526	\$ 2,553,138	\$ 2,385,905	\$ 12,615,918	\$ 1,934,775	\$ 3,000	\$ 21,018,615
Add additions	-	97,511	801,765	128,885	716,251	20,757	-	1,765,169
Less construction in process capitalized	-	-	-	-	-	-	(3,000)	(3,000)
Less disposals	-	-	(152,702)	(62,345)	(194,618)	-	-	(409,665)
End of year	<u>616,353</u>	<u>1,007,037</u>	<u>3,202,201</u>	<u>2,452,445</u>	<u>13,137,551</u>	<u>1,955,532</u>	<u>-</u>	<u>22,371,119</u>
<b>Accumulated amortization</b>								
Beginning of year	-	502,459	1,405,823	1,270,553	5,807,979	1,033,880	-	10,020,694
Add amortization	-	34,623	116,635	217,308	445,634	122,915	-	937,115
Less amortization on disposals	-	-	(152,702)	(61,828)	(194,618)	-	-	(409,148)
End of year	<u>-</u>	<u>537,082</u>	<u>1,369,756</u>	<u>1,426,033</u>	<u>6,058,995</u>	<u>1,156,795</u>	<u>-</u>	<u>10,548,661</u>
<b>Net book value</b>	<u>\$ 616,353</u>	<u>\$ 469,955</u>	<u>\$ 1,832,445</u>	<u>\$ 1,026,412</u>	<u>\$ 7,078,556</u>	<u>\$ 798,737</u>	<u>\$ -</u>	<u>\$ 11,822,458</u>

The net book value of equipment under capital leases is \$11,266.



## Township of Wainfleet Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2016

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

## Township of Wainfleet Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2015

	General Government		Protection to Persons and Property		Transportation Services		Health Services		Social and Family Services		Recreation and Culture Services		Planning and Development		Eliminations		2015 Consolidated	
<b>Revenues</b>																		
Taxation	\$ 385,982	\$ 863,491	\$ 2,545,313	\$ 77,369	\$ 18,417	\$ 736,605	\$ 229,440	\$ -	\$ -	\$ -	\$ 4,856,617							
User charges	-	274,925	101,671	117,318	-	172,547	135,430	-	-	-	801,891							
Government transfers	562,520	31,887	210,399	6,000	-	29,156	91,289	-	-	-	931,251							
Other	276,711	31,081	470,058	19,182	-	81,162	11,141	(460,344)			428,991							
	1,225,213	1,201,384	3,327,441	219,869	18,417	1,019,470	467,300	(460,344)			7,018,750							
<b>Expenses</b>																		
Salaries and benefits	599,130	593,331	743,040	172,793	-	621,782	258,857	-	-	-	2,988,933							
Operating materials and supplies	285,605	264,993	1,328,027	55,993	-	267,180	228,267	(460,344)			1,969,721							
Contracted services	25,748	-	7,422	-	-	-	-	-	-	-	33,170							
Rent and financial expenses	6,338	-	-	-	-	-	-	-	-	-	6,338							
External transfers to others	-	46,130	-	-	19,345	9,000	-	-	-	-	74,475							
Amortization	60,119	105,121	619,737	15,990	-	133,844	2,304	-	-	-	937,115							
Debt service	920	5,390	4,706	-	-	1,025	3,263	-	-	-	15,304							
	977,860	1,014,965	2,702,932	244,776	19,345	1,032,831	492,691	(460,344)			6,025,056							
<b>Annual surplus (deficit)</b>	\$ 247,353	\$ 186,419	\$ 624,509	\$ (24,907)	\$ (928)	\$ (13,361)	\$ (25,391)	\$ -	\$ -	\$ -	\$ 993,694							

# Township of Wainfleet

## Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2016

	Budget 2016	Actual 2016	Actual 2015
<b>General government</b>			
<b>Revenue</b>			
Taxation	\$ 505,887	\$ 510,090	\$ 385,982
Government transfers	640,100	640,100	562,520
Other	<u>270,350</u>	<u>278,568</u>	<u>276,711</u>
	<u>1,416,337</u>	<u>1,428,758</u>	<u>1,225,213</u>
<b>Expenses</b>			
Salaries and benefits	677,200	785,858	599,130
Operating materials and supplies	297,547	486,383	285,605
Contracted services	32,300	20,264	25,748
Rent and financial expenses	8,500	6,099	6,338
Amortization	65,717	65,717	60,119
Debt service	<u>-</u>	<u>754</u>	<u>920</u>
	<u>1,081,264</u>	<u>1,365,075</u>	<u>977,860</u>
<b>Annual surplus</b>	<u>\$ 335,073</u>	<u>\$ 63,683</u>	<u>\$ 247,353</u>
<b>Protection to persons and property</b>			
<b>Revenue</b>			
Taxation	\$ 906,953	\$ 914,489	\$ 863,491
User charges	209,700	211,928	274,925
Government transfers	-	-	31,887
Other	<u>31,400</u>	<u>22,212</u>	<u>31,081</u>
	<u>1,148,053</u>	<u>1,148,629</u>	<u>1,201,384</u>
<b>Expenses</b>			
Salaries and benefits	614,575	587,749	593,331
Operating materials and supplies	296,558	336,856	264,993
External transfers to others	49,562	48,874	46,130
Amortization	101,973	101,973	105,121
Debt service	<u>4,513</u>	<u>4,513</u>	<u>5,390</u>
	<u>1,067,181</u>	<u>1,079,965</u>	<u>1,014,965</u>
<b>Annual surplus</b>	<u>\$ 80,872</u>	<u>\$ 68,664</u>	<u>\$ 186,419</u>

# Township of Wainfleet

## Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2016

	Budget 2016	Actual 2016	Actual 2015
<b>Transportation services</b>			
<b>Revenue</b>			
Taxation	\$ 2,279,719	\$ 2,298,660	\$ 2,545,313
User charges	42,000	47,659	101,671
Government transfers	193,243	193,243	210,399
Other	<u>415,500</u>	<u>480,460</u>	<u>470,058</u>
	<u>2,930,462</u>	<u>3,020,022</u>	<u>3,327,441</u>
<b>Expenses</b>			
Salaries and benefits	774,910	805,243	743,040
Operating materials and supplies	1,455,619	1,392,596	1,328,027
Contracted services	7,500	7,452	7,422
Amortization	688,580	688,573	619,737
Debt service	<u>4,993</u>	<u>3,298</u>	<u>4,706</u>
	<u>2,931,602</u>	<u>2,897,162</u>	<u>2,702,932</u>
<b>Annual surplus (deficit)</b>	<b>\$ (1,140)</b>	<b>\$ 122,860</b>	<b>\$ 624,509</b>
<hr/>			
<b>Health services</b>			
<b>Revenue</b>			
Taxation	\$ 113,603	\$ 114,547	\$ 77,369
User charges	115,000	123,757	117,318
Government transfers	2,700	6,751	6,000
Other	<u>20,000</u>	<u>16,965</u>	<u>19,182</u>
	<u>251,303</u>	<u>262,020</u>	<u>219,869</u>
<b>Expenses</b>			
Salaries and benefits	185,000	217,901	172,793
Operating materials and supplies	54,303	55,246	55,993
Amortization	<u>15,984</u>	<u>15,984</u>	<u>15,990</u>
	<u>255,287</u>	<u>289,131</u>	<u>244,776</u>
<b>Annual deficit</b>	<b>\$ (3,984)</b>	<b>\$ (27,111)</b>	<b>\$ (24,907)</b>

# Township of Wainfleet

## Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2016

	Budget 2016	Actual 2016	Actual 2015
<b>Social and family services</b>			
<b>Revenue</b>			
Taxation	\$ 19,400	\$ 19,561	\$ 18,417
<b>Expenses</b>			
External transfers to others	<u>19,400</u>	<u>19,127</u>	<u>19,345</u>
<b>Annual surplus (deficit)</b>	<u>\$ -</u>	<u>\$ 434</u>	<u>\$ (928)</u>
<b>Recreation and culture services</b>			
<b>Revenue</b>			
Taxation	\$ 931,338	\$ 939,076	\$ 736,605
User charges	183,860	204,434	172,547
Government transfers	312,000	298,408	29,156
Other	<u>25,800</u>	<u>47,487</u>	<u>81,162</u>
	<u>1,452,998</u>	<u>1,489,405</u>	<u>1,019,470</u>
<b>Expenses</b>			
Salaries and benefits	661,200	655,964	621,782
Operating materials and supplies	364,998	286,491	267,180
External transfers to others	9,000	9,000	9,000
Amortization	136,123	136,123	133,844
Debt service	<u>-</u>	<u>879</u>	<u>1,025</u>
	<u>1,171,321</u>	<u>1,088,457</u>	<u>1,032,831</u>
<b>Annual surplus (deficit)</b>	<u>\$ 281,677</u>	<u>\$ 400,948</u>	<u>\$ (13,361)</u>

---

## Township of Wainfleet

### Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2016

---

	Budget <u>2016</u>	Actual <u>2016</u>	Actual <u>2015</u>
<b>Planning and development</b>			
<b>Revenue</b>			
Taxation	\$ 273,646	\$ 275,920	\$ 229,440
User charges	52,501	93,264	135,430
Government transfers	60,330	48,491	91,289
Other	<u>6,000</u>	<u>8,788</u>	<u>11,141</u>
	<u>392,477</u>	<u>426,463</u>	<u>467,300</u>
<b>Expenses</b>			
Salaries and benefits	245,500	267,775	258,857
Operating materials and supplies	94,526	270,456	228,267
Amortization	5,583	5,583	2,304
Debt service	<u>2,451</u>	<u>2,451</u>	<u>3,263</u>
	<u>348,060</u>	<u>546,265</u>	<u>492,691</u>
<b>Annual (deficit) surplus</b>	<u>\$ 44,417</u>	<u>\$ (119,802)</u>	<u>\$ (25,391)</u>

## Independent auditor's report

**Grant Thornton LLP**  
Suite B  
222 Catharine Street, PO Box 336  
Port Colborne, ON  
L3K 5W1

T +1 905 834 3651  
F +1 905 834 5095  
E [PortColborne@ca.gt.com](mailto:PortColborne@ca.gt.com)  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

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

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of Wainfleet, which comprise the statement of financial position as at December 31, 2016, and the statement of operations for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the financial reporting provisions prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of Wainfleet as at December 31, 2016, and the results of its operations for the year then ended in accordance with the financial reporting provisions of the Ministry of Municipal Affairs and Housing.

**Basis of accounting and restriction on use**

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Trust Funds of the Corporation of the Township of Wainfleet to comply with the reporting provisions of the Ministry of Municipal Affairs and Housing. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Township of Wainfleet and should not be used by parties other than the Township.

*Grant Thornton LLP*

Port Colborne, Canada  
November 14, 2017

Chartered Professional Accountants  
Licensed Public Accountants



---

## Township of Wainfleet Trust Funds

---

### Consolidated Statement of Operations

For the year ended December 31, 2016

	<u>Total</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Cemetery Care and Mtc. Fund</u>
<b>Revenue</b>			
Perpetual care collections	\$ 28,326	\$ 23,526	\$ 4,800
Interest earned	<u>16,964</u>	<u>14,770</u>	<u>2,194</u>
	<b>45,290</b>	38,296	6,994
<b>Expenses</b>			
Transfer to revenue	<u>16,964</u>	<u>14,770</u>	<u>2,194</u>
<b>Annual surplus</b>	<b>28,326</b>	23,526	4,800
<b>Accumulated surplus</b>			
Beginning of year	<u>797,844</u>	<u>665,526</u>	<u>132,318</u>
End of year	<u>\$ 826,170</u>	<u>\$ 689,052</u>	<u>\$ 137,118</u>

---

### Consolidated Statement of Financial Position

As at December 31, 2016

	<u>Total</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Cemetery Care and Mtc. Fund</u>
<b>Assets</b>			
Cash	\$ 448,867	\$ 410,502	\$ 38,365
Investments, at cost			
Municipal - own	119,537	119,537	-
- other	<u>274,730</u>	<u>173,783</u>	<u>100,947</u>
	<u>\$ 843,134</u>	<u>\$ 703,822</u>	<u>\$ 139,312</u>
<b>Liabilities</b>			
Due to Municipality	\$ 16,964	\$ 14,770	\$ 2,194
Fund balance	<u>826,170</u>	<u>689,052</u>	<u>137,118</u>
	<u>\$ 843,134</u>	<u>\$ 703,822</u>	<u>\$ 139,312</u>

---

See accompanying notes to the consolidated financial statements

---

# **Township of Wainfleet**

## **Trust Funds**

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

For the Year Ended December 31, 2016

---

#### **1. Accounting policies**

The consolidated financial statements of the Trust Funds of the Corporation of the Township of Wainfleet are prepared by management in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

#### **Basis of accounting**

Income and capital receipts are reported on the cash basis.

Expenses are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

---

#### **2. Investments**

The investments of \$ 394,267 (2015 - \$ 442,913) reported on the Consolidated Statement of Financial Position are recorded at cost and have a market value of \$ 403,034 (2015 - \$ 450,171) at the end of the year. Included in investments are debentures issued by the Township of Wainfleet totaling \$ 119,537 (2015 - \$ 173,744).