

Financial Report

Township of Wainfleet

2015

Contents

	Page
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	7-21
Consolidated Schedule of Tangible Capital Assets	22-23
Consolidated Schedule of Segment Disclosure	24-25
Consolidated Schedule of Segment Disclosure with Budget Information	26-29
 Trust Funds	
Independent Auditor's Report	30-31
Consolidated Statement of Operations	32
Consolidated Statement of Financial Position	32
Notes to the Consolidated Financial Statements	33



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
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, 2015, 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, 2015, 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
October 4, 2016

Chartered Professional Accountants
Licensed Public Accountants

Township of Wainfleet

Consolidated Statement of Financial Position

As at December 31

2015

2014

Financial assets

Cash and cash equivalents (Page 6)	\$ 3,401,134	\$ 2,961,455
Portfolio investments (Note 2)	33,635	32,928
Taxes receivable	1,149,246	1,362,612
Tile drain loans receivable	40,852	54,382
Accounts receivable	<u>366,091</u>	<u>260,796</u>
	<u>4,990,958</u>	<u>4,672,173</u>

Liabilities

Accounts payable and accrued liabilities	641,935	351,170
Other liabilities	343,964	372,383
Deferred revenue for development purposes (Note 4)	232,815	255,966
Long term debt (Note 5)	232,267	300,922
Employee benefit obligations (Notes 6 and 14)	<u>120,600</u>	<u>123,866</u>
	<u>1,571,581</u>	<u>1,404,307</u>

Net financial assets

	<u>3,419,377</u>	<u>3,267,866</u>
--	------------------	------------------

Non-financial assets

Tangible capital assets (Pages 22 and 23)	11,822,458	10,997,921
Other assets	<u>195,226</u>	<u>177,580</u>
	<u>12,017,684</u>	<u>11,175,501</u>

Accumulated surplus (Note 7)

	<u>\$ 15,437,061</u>	<u>\$ 14,443,367</u>
--	----------------------	----------------------

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, 2015

	Budget <u>2015</u> (Note 16)	Actual <u>2015</u>	Actual <u>2014</u>
Revenue			
Taxation (Note 9)	\$ 4,825,748	\$ 4,856,617	\$ 4,726,173
User charges (Note 11)	598,303	801,891	876,504
Government transfers (Note 12)	822,526	931,251	845,164
Other (Note 13)	<u>327,500</u>	<u>428,991</u>	<u>377,812</u>
	<u>6,574,077</u>	<u>7,018,750</u>	<u>6,825,653</u>
Expenses			
General government	1,076,834	977,860	1,024,360
Protection to persons and property	1,053,590	1,014,965	909,234
Transportation services	2,283,279	2,242,588	2,258,060
Health services	224,867	244,776	205,817
Social and family services	18,300	19,345	14,726
Recreation and culture services	1,068,428	1,032,831	933,508
Planning and development	<u>346,733</u>	<u>492,691</u>	<u>457,356</u>
	<u>6,072,031</u>	<u>6,025,056</u>	<u>5,803,061</u>
Annual surplus	502,046	993,694	1,022,592
Accumulated surplus (Note 7)			
Beginning of year	<u>14,443,367</u>	<u>14,443,367</u>	<u>13,420,775</u>
End of year	<u>\$ 14,945,413</u>	<u>\$ 15,437,061</u>	<u>\$ 14,443,367</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, 2015

	Budget 2015 (Note 16)	Actual 2015	Actual 2014
Annual surplus	\$ 502,046	\$ 993,694	\$ 1,022,592
Amortization of tangible capital assets	937,161	937,115	856,062
Acquisition of tangible capital assets	(1,091,000)	(1,762,169)	(694,655)
Proceeds on sale of tangible capital assets	-	4,570	28,578
(Gain) loss on sale of tangible capital assets	-	(4,053)	5,674
	<u>348,207</u>	<u>169,157</u>	<u>1,218,251</u>
Usage (acquisition) of inventory	-	1,070	(640)
Acquisition of prepaid expenses	-	(18,716)	(1,268)
	-	(17,646)	(1,908)
Increase in net financial assets	348,207	151,511	1,216,343
Net financial assets			
Beginning of year	<u>3,267,866</u>	<u>3,267,866</u>	<u>2,051,523</u>
End of year	<u>\$ 3,616,073</u>	<u>\$ 3,419,377</u>	<u>\$ 3,267,866</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

2015

2014

Increase (decrease) in cash and cash equivalents

Operating activities		
Annual surplus	\$ 993,694	\$ 1,022,592
Non-cash items		
Amortization	937,115	856,062
Decrease in taxes receivable	213,366	20,387
Decrease in tile drain loans receivable	13,530	12,765
(Increase) decrease in accounts receivable	(105,295)	104,507
Increase (decrease) in accounts payable and accrued liabilities	290,765	(332,418)
(Decrease) increase in other liabilities	(28,419)	63,388
(Decrease) increase in deferred revenue for development purposes	(23,151)	46,841
Increase in other assets	<u>(17,646)</u>	<u>(1,908)</u>
	<u>2,273,959</u>	<u>1,792,216</u>
Capital activities		
Proceeds on sale of tangible capital assets	4,570	28,578
(Gain) loss on sale of tangible capital assets	(4,053)	5,674
Acquisition of tangible capital assets	<u>(1,762,169)</u>	<u>(694,655)</u>
	<u>(1,761,652)</u>	<u>(660,403)</u>
Financing activities		
Decrease in employee benefit obligations	(3,266)	(17,193)
Issue of long term debt	-	21,639
Repayment of long term debt	<u>(68,655)</u>	<u>(79,485)</u>
	<u>(71,921)</u>	<u>(75,039)</u>
Investing activities		
Increase in portfolio investments	<u>(707)</u>	<u>(748)</u>
Net increase in cash and cash equivalents	439,679	1,056,026
Cash and cash equivalents		
Beginning of year	<u>2,961,455</u>	<u>1,905,429</u>
End of year	<u>\$ 3,401,134</u>	<u>\$ 2,961,455</u>

Cash and cash equivalents consist of:

Cash on hand	\$ 1,750	\$ 1,750
Balances with banks	<u>3,399,384</u>	<u>2,959,705</u>
	<u>\$ 3,401,134</u>	<u>\$ 2,961,455</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, 2015

1. Significant accounting policies

Management responsibility

The consolidated financial statements of the Township of Wainfleet ("Municipality") are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The significant accounting policies used are as follows:

(a) Reporting entity

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

Wainfleet Public Library Board

Interdepartmental and organizational transactions and balances are eliminated.

The following joint local board is proportionally consolidated:

Niagara Central Airport Commission (Joint Board)

Related party transactions are eliminated (Note 17).

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

(b) Basis of accounting

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

(c) Cash and cash equivalents

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

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

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) 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".

<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.

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

1. Significant accounting policies (continued)

(g) Inventories

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

(h) 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.

(i) 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.

(j) Contaminated sites liability

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

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

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

(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, 2015

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, 2015

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. Actual results could differ from those estimates.

(o) Change in accounting policy

In June, 2010, the Public Sector Accounting Board (PSAB) issued the Liability for Contaminated Sites standard PS 3260 effective for fiscal years beginning on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into the air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

In the past, the Municipality would have only reported environmental liabilities based on its obligations resulting from federal legislation. The new PSAB standard requires that provincial legislation or regulation also be considered when reporting environmental liabilities even if no order for remediation has been issued, but the contamination is in excess of the standard. Environmental clean-up is often linked to past industrial activities.

This change has been applied prospectively without the restatement of prior periods.

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 \$ 36,219 (2014 - \$ 35,754).

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, 2015, \$ 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, 2015

4. Deferred revenue for development purposes	<u>2015</u>	<u>2014</u>
Lot levies and subdivider contributions	\$ 39,683	\$ 36,488
Gas tax	-	5,410
Development charges	<u>193,132</u>	<u>214,068</u>
	<u>\$ 232,815</u>	<u>\$ 255,966</u>

The deferred revenue is made up of the following:

Balance, beginning of year	\$ 255,966	\$ 209,125
Contributions from		
Development Charges Act	65,180	39,769
Lot levies and subdivider contributions	5,100	-
Gas tax grants received		
Federal	-	5,410
Interest earned	1,628	1,662
Transfer to operations	<u>(95,059)</u>	<u>-</u>
Balance, end of year	<u>\$ 232,815</u>	<u>\$ 255,966</u>

5. Long term debt	<u>2015</u>	<u>2014</u>
(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	\$ 173,744	\$ 225,704
Capital lease obligations	17,671	20,836
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>40,852</u>	<u>54,382</u>
Net long term debt	<u>\$ 232,267</u>	<u>\$ 300,922</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

5. Long term debt (continued)

(b) The net long term debt:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>2015</u>	<u>2014</u>
Excavator	4.50	2018	\$ 57,514	\$ 75,059
Fire Truck	4.50	2020	93,719	110,112
Pickup truck	4.00	2017	7,392	10,877
International Workstar	4.00	2016	15,119	29,656
Leased equipment - photocopiers	Various	2018-2019	17,671	20,836
Tile drains	6.00	2015-2021	<u>40,852</u>	<u>54,382</u>
			<u>\$ 232,267</u>	<u>\$ 300,922</u>

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

2016	\$ 67,704
2017	55,311
2018	47,584
2019	28,617
2020	27,526

(d) Interest paid during the year amounted to \$ 15,303 (2014 - \$ 18,691).

6. Employee benefit obligations

	<u>2015</u>	<u>2014</u>
Post-employment benefits	<u>\$ 120,600</u>	<u>\$ 123,866</u>

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

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

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

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

7. Accumulated surplus	<u>2015</u>	<u>2014</u>
Consists of:		
Surpluses (deficits)		
Township	\$ (392,795)	\$ (178,643)
Library	3,969	-
Niagara Central Airport Commission (Note 17)	<u>9,259</u>	<u>6,425</u>
	<u>(379,567)</u>	<u>(172,218)</u>
Investment in tangible capital assets	<u>11,822,458</u>	<u>10,997,921</u>
Unfunded:		
Long term debt	(232,267)	(300,922)
Employee benefit obligations	<u>(120,600)</u>	<u>(123,866)</u>
	<u>(352,867)</u>	<u>(424,788)</u>
Reserves and reserve funds (Note 8)	<u>4,347,037</u>	<u>4,042,452</u>
	<u>\$ 15,437,061</u>	<u>\$ 14,443,367</u>

8. Reserves and reserve funds balances	<u>2015</u>	<u>2014</u>
Reserves set aside for specific purposes by Council		
Working capital	\$ 800,000	\$ 800,000
Building permits	104,038	34,290
Insurance	160,000	150,000
Winter control	150,000	150,000
Elections	42,500	37,500
Capital expenses	<u>3,089,857</u>	<u>2,870,353</u>
	<u>4,346,395</u>	<u>4,042,143</u>
Reserve funds		
Library donations	<u>642</u>	<u>309</u>
	<u>\$ 4,347,037</u>	<u>\$ 4,042,452</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

9. Taxation	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Real property	\$ 11,949,556	\$ 12,156,226	\$ 11,912,640
From other governments			
Payments in lieu of taxes	<u>12,000</u>	<u>30,309</u>	<u>27,692</u>
	<u>11,961,556</u>	<u>12,186,535</u>	<u>11,940,332</u>
Less: taxation collected on behalf of			
Region of Niagara (Note 10)	5,353,853	5,462,141	5,332,162
School boards (Note 10)	<u>1,781,955</u>	<u>1,867,777</u>	<u>1,881,997</u>
	<u>7,135,808</u>	<u>7,329,918</u>	<u>7,214,159</u>
Net taxes available for municipal purposes	<u>\$ 4,825,748</u>	<u>\$ 4,856,617</u>	<u>\$ 4,726,173</u>
Residential and farm	\$ 4,530,803	\$ 4,561,432	\$ 4,433,922
Commercial	235,103	235,344	222,306
Industrial	<u>59,842</u>	<u>59,841</u>	<u>69,945</u>
Net taxes available for municipal purposes	<u>\$ 4,825,748</u>	<u>\$ 4,856,617</u>	<u>\$ 4,726,173</u>

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>2015</u>	<u>2014</u>
Region of Niagara	\$ 5,462,141	\$ 5,332,162
School boards	<u>1,867,777</u>	<u>1,881,997</u>
	<u>\$ 7,329,918</u>	<u>\$ 7,214,159</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.

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

11. User charges	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Operating			
Fees and service charges	\$ 416,503	\$ 433,361	\$ 422,350
Licences and permits	<u>181,800</u>	<u>262,840</u>	<u>222,679</u>
	<u>598,303</u>	<u>696,201</u>	<u>645,029</u>
Capital			
Contributions from developers	-	89,649	-
Special charges	<u>-</u>	<u>16,041</u>	<u>231,475</u>
	<u>-</u>	<u>105,690</u>	<u>231,475</u>
	<u>\$ 598,303</u>	<u>\$ 801,891</u>	<u>\$ 876,504</u>
12. Government transfers			
	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Operating			
Government of Canada	\$ -	\$ 3,960	\$ 1,320
Province of Ontario	609,916	622,788	567,340
Other municipalities	<u>28,570</u>	<u>71,238</u>	<u>65,569</u>
	<u>638,486</u>	<u>697,986</u>	<u>634,229</u>
Capital			
Government of Canada	184,040	189,450	184,040
Province of Ontario	<u>-</u>	<u>43,815</u>	<u>26,895</u>
	<u>184,040</u>	<u>233,265</u>	<u>210,935</u>
	<u>\$ 822,526</u>	<u>\$ 931,251</u>	<u>\$ 845,164</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

13. Other revenue	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Operating			
Penalties and interest on taxes	\$ 195,000	\$ 201,264	\$ 211,465
Fines	26,800	33,149	33,418
Rents and leases	7,350	11,938	10,679
Interest income	30,000	43,861	39,022
Interest income – reserves and reserve funds	-	33	27
Donations	-	3,526	6,720
Other	<u>68,350</u>	<u>90,655</u>	<u>82,155</u>
	<u>327,500</u>	<u>384,426</u>	<u>383,486</u>
Capital			
Contributed tangible capital assets	-	40,512	-
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>4,053</u>	<u>(5,674)</u>
	<u>-</u>	<u>44,565</u>	<u>(5,674)</u>
	<u>\$ 327,500</u>	<u>\$ 428,991</u>	<u>\$ 377,812</u>

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 \$ 5.3 billion (2014 - \$ 5.3 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 the 2015 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 2015 current and past service was \$ 196,449 (2014 - \$ 191,515) 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, 2015

15. Corporation of the Township of Wainfleet - Trust funds

Trust funds administered by the Municipality amounting to \$ 798,544 (2014 - \$ 778,454) 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 12, 2015 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)	\$	Nil
Add:		
Acquisition of tangible capital assets		1,091,000
Transfers to reserves		540,939
Repayment of long term debt		51,826
Less:		
Transfers from reserves		(244,558)
Amortization of tangible capital assets		<u>(937,161)</u>
Budgeted surplus per Consolidated Statement of Operations	\$	<u>502,046</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

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>2015</u>	<u>2014</u>
Financial assets		
Cash and temporary investments	\$ 125,564	\$ 77,800
Receivables	<u>17,710</u>	<u>6,190</u>
	<u>143,274</u>	<u>83,990</u>
Liabilities		
Accounts payable and accrued liabilities	<u>14,552</u>	<u>11,029</u>
Net financial assets	<u>128,722</u>	<u>72,961</u>
Non-financial assets		
Prepaid expenses	1,354	1,354
Fuel inventory	18,347	33,625
Tangible capital assets	<u>1,132,862</u>	<u>1,147,210</u>
	<u>1,152,563</u>	<u>1,182,189</u>
Accumulated surplus	<u>\$ 1,281,285</u>	<u>\$ 1,255,150</u>
Accumulated surplus consists of:		
Operating surplus	\$ 132,259	\$ 91,776
Reserves	16,164	16,164
Investment in tangible capital assets	<u>1,132,862</u>	<u>1,147,210</u>
	<u>\$ 1,281,285</u>	<u>\$ 1,255,150</u>
Revenues		
Grants	\$ 82,800	\$ 80,300
Fuel and rentals	109,079	121,987
Interest	935	627
Expenses	<u>(166,679)</u>	<u>(170,442)</u>
Annual surplus	<u>\$ 26,135</u>	<u>\$ 32,472</u>

Township of Wainfleet

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

17. Niagara Central Airport Commission (continued)

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2015 and the results of operations are as reported for the year ended December 31, 2015. The comparative financial position and results of operations figures are as reported by the Niagara Central Airport Commission at December 31, 2014.

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>2015</u>	<u>2014</u>
Government transfers	<u>\$ 5,796</u>	<u>\$ 5,621</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, 2015

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, 2015

	<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>2015</u>
Cost								
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 during the year	-	-	(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>
Accumulated amortization								
Beginning of year	-	502,459	1,405,823	1,270,553	5,807,979	1,033,880	-	10,020,694
Add amortization during the year	-	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>
Net book value	<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 Tangible Capital Assets

For the Year Ended December 31, 2014

	<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>2014</u>
Cost								
Beginning of year	\$ 616,353	\$ 909,526	\$ 2,507,040	\$ 2,408,485	\$ 12,328,686	\$ 1,898,236	\$ 17,888	\$ 20,686,214
Add additions	-	-	46,098	122,139	453,814	87,492	870	710,413
Less construction in process capitalized	-	-	-	-	-	-	(15,758)	(15,758)
Less disposals during the year	-	-	-	(144,719)	(166,582)	(50,953)	-	(362,254)
End of year	<u>616,353</u>	<u>909,526</u>	<u>2,553,138</u>	<u>2,385,905</u>	<u>12,615,918</u>	<u>1,934,775</u>	<u>3,000</u>	<u>21,018,615</u>
Accumulated amortization								
Beginning of year	-	472,452	1,329,225	1,188,873	5,547,073	955,011	-	9,492,634
Add amortization during the year	-	30,007	76,598	214,305	413,892	121,260	-	856,062
Less amortization on disposals	-	-	-	(132,625)	(152,986)	(42,391)	-	(328,002)
End of year	-	<u>502,459</u>	<u>1,405,823</u>	<u>1,270,553</u>	<u>5,807,979</u>	<u>1,033,880</u>	-	<u>10,020,694</u>
Net book value	<u>\$ 616,353</u>	<u>\$ 407,067</u>	<u>\$ 1,147,315</u>	<u>\$ 1,115,352</u>	<u>\$ 6,807,939</u>	<u>\$ 900,895</u>	<u>\$ 3,000</u>	<u>\$ 10,997,921</u>

The net book value of equipment under capital leases is \$ 15,144.

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	Consolidated
Revenues									
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
Expenses									
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
Annual surplus (deficit)	\$ 247,353	\$ 186,419	\$ 624,509	\$ (24,907)	\$ (928)	\$ (13,361)	\$ (25,391)	\$ -	\$ 993,694

Township of Wainfleet

Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2014

	General Government	Protection to Persons and Property	Transportation Services	Health Services	Social and Family Services	Recreation and Culture Services	Planning and Development	Eliminations	Consolidated
Revenues									
Taxation	\$ 310,921	\$ 833,497	\$ 2,544,747	\$ 89,786	\$ 15,205	\$ 718,495	\$ 213,522	\$ -	\$ 4,726,173
User charges	-	224,374	40,734	131,575	-	187,747	292,074	-	876,504
Government transfers	534,320	5,011	184,041	-	-	22,852	98,940	-	845,164
Other	301,339	25,646	410,362	21,928	-	31,801	6,748	(420,012)	377,812
	1,146,580	1,088,528	3,179,884	243,289	15,205	960,895	611,284	(420,012)	6,825,653
Expenses									
Salaries and benefits	597,013	501,768	749,416	153,231	-	589,772	255,708	-	2,846,908
Operating materials and supplies	332,024	261,686	1,325,795	36,907	-	242,623	195,131	(420,012)	1,974,154
Contracted services	25,716	-	7,696	-	-	-	-	-	33,412
Rent and financial expenses	5,541	-	-	-	-	-	-	-	5,541
External transfers to others	-	44,567	-	-	14,726	9,000	-	-	68,293
Amortization	63,024	94,983	588,699	15,679	-	91,188	2,489	-	856,062
Debt service	1,042	6,230	6,466	-	-	925	4,028	-	18,691
	1,024,360	909,234	2,678,072	205,817	14,726	933,508	457,356	(420,012)	5,803,061
Annual surplus	\$ 122,220	\$ 179,294	\$ 501,812	\$ 37,472	\$ 479	\$ 27,387	\$ 153,928	\$ -	\$ 1,022,592

Township of Wainfleet

Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2015

	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
General government			
Revenue			
Taxation	\$ 383,529	\$ 385,982	\$ 310,921
Government transfers	561,400	562,520	534,320
Other	<u>249,000</u>	<u>276,711</u>	<u>301,339</u>
	<u>1,193,929</u>	<u>1,225,213</u>	<u>1,146,580</u>
Expenses			
Salaries and benefits	667,300	599,130	597,013
Operating materials and supplies	310,165	285,605	332,024
Contracted services	30,750	25,748	25,716
Rent and financial expenses	8,500	6,338	5,541
Amortization	60,119	60,119	63,024
Debt service	<u>-</u>	<u>920</u>	<u>1,042</u>
	<u>1,076,834</u>	<u>977,860</u>	<u>1,024,360</u>
Annual surplus	<u>\$ 117,095</u>	<u>\$ 247,353</u>	<u>\$ 122,220</u>
<hr/>			
Protection to persons and property			
Revenue			
Taxation	\$ 858,003	\$ 863,491	\$ 833,497
User charges	207,200	274,925	224,374
Government transfers	-	31,887	5,011
Other	<u>19,900</u>	<u>31,081</u>	<u>25,646</u>
	<u>1,085,103</u>	<u>1,201,384</u>	<u>1,088,528</u>
Expenses			
Salaries and benefits	588,400	593,331	501,768
Operating materials and supplies	308,295	264,993	261,686
External transfers to others	46,250	46,130	44,567
Amortization	105,121	105,121	94,983
Debt service	<u>5,524</u>	<u>5,390</u>	<u>6,230</u>
	<u>1,053,590</u>	<u>1,014,965</u>	<u>909,234</u>
Annual surplus	<u>\$ 31,513</u>	<u>\$ 186,419</u>	<u>\$ 179,294</u>

Township of Wainfleet

Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2015

	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Transportation services			
Revenue			
Taxation	\$ 2,529,135	\$ 2,545,313	\$ 2,544,747
User charges	36,930	101,671	40,734
Government transfers	184,040	210,399	184,041
Other	<u>416,250</u>	<u>470,058</u>	<u>410,362</u>
	<u>3,166,355</u>	<u>3,327,441</u>	<u>3,179,884</u>
Expenses			
Salaries and benefits	799,510	743,040	749,416
Operating materials and supplies	1,266,622	1,328,027	1,325,795
Contracted services	8,300	7,422	7,696
Amortization	619,783	619,737	588,699
Debt service	<u>4,564</u>	<u>4,706</u>	<u>6,466</u>
	<u>2,698,779</u>	<u>2,702,932</u>	<u>2,678,072</u>
Annual surplus	<u>\$ 467,576</u>	<u>\$ 624,509</u>	<u>\$ 501,812</u>
Health services			
Revenue			
Taxation	\$ 76,877	\$ 77,369	\$ 89,786
User charges	105,000	117,318	131,575
Government transfers	-	6,000	-
Other	<u>27,000</u>	<u>19,182</u>	<u>21,928</u>
	<u>208,877</u>	<u>219,869</u>	<u>243,289</u>
Expenses			
Salaries and benefits	162,500	172,793	153,231
Operating materials and supplies	46,377	55,993	36,907
Amortization	<u>15,990</u>	<u>15,990</u>	<u>15,679</u>
	<u>224,867</u>	<u>244,776</u>	<u>205,817</u>
Annual (deficit) surplus	<u>\$ (15,990)</u>	<u>\$ (24,907)</u>	<u>\$ 37,472</u>

Township of Wainfleet Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2015

	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Social and family services			
Revenue			
Taxation	\$ 18,300	\$ 18,417	\$ 15,205
Expenses			
External transfers to others	<u>18,300</u>	<u>19,345</u>	<u>14,726</u>
Annual (deficit) surplus	<u>\$ -</u>	<u>\$ (928)</u>	<u>\$ 479</u>
<hr/>			
Recreation and culture services			
Revenue			
Taxation	\$ 731,923	\$ 736,605	\$ 718,495
User charges	183,860	172,547	187,747
Government transfers	19,951	29,156	22,852
Other	<u>26,850</u>	<u>81,162</u>	<u>31,801</u>
	<u>962,584</u>	<u>1,019,470</u>	<u>960,895</u>
Expenses			
Salaries and benefits	592,550	621,782	589,772
Operating materials and supplies	333,034	267,180	242,623
External transfers to others	9,000	9,000	9,000
Amortization	133,844	133,844	91,188
Debt service	<u>-</u>	<u>1,025</u>	<u>925</u>
	<u>1,068,428</u>	<u>1,032,831</u>	<u>933,508</u>
Annual (deficit) surplus	<u>\$ (105,844)</u>	<u>\$ (13,361)</u>	<u>\$ 27,387</u>

Township of Wainfleet

Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2015

	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Planning and development			
Revenue			
Taxation	\$ 227,981	\$ 229,440	\$ 213,522
User charges	65,313	135,430	292,074
Government transfers	57,135	91,289	98,940
Other	<u>4,000</u>	<u>11,141</u>	<u>6,748</u>
	<u>354,429</u>	<u>467,300</u>	<u>611,284</u>
Expenses			
Salaries and benefits	239,350	258,857	255,708
Operating materials and supplies	101,816	228,267	195,131
Amortization	2,304	2,304	2,489
Debt service	<u>3,263</u>	<u>3,263</u>	<u>4,028</u>
	<u>346,733</u>	<u>492,691</u>	<u>457,356</u>
Annual (deficit) surplus	<u>\$ 7,696</u>	<u>\$ (25,391)</u>	<u>\$ 153,928</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
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, 2015, 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, 2015, 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
October 4, 2016

Chartered Professional Accountants
Licensed Public Accountants

Township of Wainfleet Trust Funds

Consolidated Statement of Operations

For the year ended December 31, 2015

	<u>Total</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Cemetery Care and Mtc. Fund</u>
Revenue			
Perpetual care collections	\$ 19,390	\$ 15,290	\$ 4,100
Interest earned	<u>19,181</u>	<u>16,845</u>	<u>2,336</u>
	38,571	32,135	6,436
Expenses			
Transfer to revenue	<u>19,181</u>	<u>16,845</u>	<u>2,336</u>
Annual surplus	19,390	15,290	4,100
Accumulated surplus			
Beginning of year	<u>778,454</u>	<u>650,236</u>	<u>128,218</u>
End of year	<u>\$ 797,844</u>	<u>\$ 665,526</u>	<u>\$ 132,318</u>

Consolidated Statement of Financial Position

As at December 31, 2015

	<u>Total</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Cemetery Care and Mtc. Fund</u>
Assets			
Cash	\$ 374,812	\$ 339,261	\$ 35,551
Investments, at cost			
Municipal - own	173,744	173,744	-
- other	<u>269,169</u>	<u>170,066</u>	<u>99,103</u>
	<u>\$ 817,725</u>	<u>\$ 683,071</u>	<u>\$ 134,654</u>
Liabilities			
Due to Municipality	\$ 19,881	\$ 17,545	\$ 2,336
Fund balance	<u>797,844</u>	<u>665,526</u>	<u>132,318</u>
	<u>\$ 817,725</u>	<u>\$ 683,071</u>	<u>\$ 134,654</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, 2015

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 \$ 442,913 (2014 - \$ 488,939) reported on the Consolidated Statement of Financial Position are recorded at cost and have a market value of \$ 450,171 (2014 - \$ 497,985) at the end of the year. Included in investments are debentures issued by the Township of Wainfleet totaling \$ 173,744 (2014 - \$ 225,704).