

Financial Report

Township of Wainfleet

2009

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## Auditors' report

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

We have audited the consolidated statement of financial position of the Corporation of the Township of Wainfleet as at December 31, 2009 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Township's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express an opinion on the budget figures.

Port Colborne, Ontario  
June 11, 2010

*Grant Thornton LLP*

Chartered Accountants  
Licensed Public Accountants

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# Township of Wainfleet

## Consolidated Statement of Financial Position

As at December 31, 2009

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|  | <u>2009</u>          | <u>2008</u><br>(As restated)<br>(Note 1(b)) |
|--|----------------------|---|
| <b>Financial assets</b>                            |                      |   |
| Cash   | \$ 382,816           | \$ 898,009                                  |
| Taxes receivable                                   | 1,114,049            | 985,796                                     |
| Accounts receivable                                | 442,375              | 446,559                                     |
| Long term investments (Note 2)                     | <u>48,660</u>        | <u>47,187</u>                               |
|  | <u>1,987,900</u>     | <u>2,377,551</u>                            |
| <b>Liabilities</b>                                 |                      |   |
| Accounts payable and accrued liabilities           | 663,618              | 417,242                                     |
| Other liabilities                                  | 181,284              | 183,389                                     |
| Deferred revenue for development purposes (Note 3) | 130,083              | 49,920                                      |
| Long term debt (Note 4)                            | 107,980              | 87,463                                      |
| Employee benefit obligations (Notes 5 and 13)      | <u>128,132</u>       | <u>102,876</u>                              |
|  | <u>1,211,097</u>     | <u>840,890</u>                              |
| <b>Net financial assets</b>                        | <u>776,803</u>       | <u>1,536,661</u>                            |
| <b>Non-financial assets</b>                        |                      |   |
| Tangible capital assets (Pages 19 and 20)          | 9,514,567            | 8,262,114                                   |
| Other assets                                       | <u>164,268</u>       | <u>147,784</u>                              |
|  | <u>9,678,835</u>     | <u>8,409,898</u>                            |
| <b>Accumulated surplus (Note 6)</b>                | <u>\$ 10,455,638</u> | <u>\$ 9,946,559</u>                         |

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Contingencies (Note 16)

Approved by

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

\_\_\_\_\_  
Treasurer

See accompanying notes to the consolidated financial statements

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## Township of Wainfleet

### Consolidated Statement of Operations

For the Year Ended December 31, 2009

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|                                    | Budget<br><u>2009</u><br>(Unaudited) | Actual<br><u>2009</u>       | Actual<br><u>2008</u><br>(As restated)<br>(Note 1(b)) |
|------------------------------------|--------------------------------------|-----------------------------|---|
| <b>Revenue</b>                     |                                      |                             |   |
| Taxation (Note 8)                  | \$ 3,646,879                         | \$ <b>3,653,263</b>         | \$ 3,512,807  |
| User charges (Note 10)             | 432,380                              | <b>451,736</b>              | 567,319   |
| Grants (Note 11)                   | 1,275,493                            | <b>1,341,162</b>            | 1,843,365   |
| Other (Note 12)                    | <u>284,384</u>                       | <u><b>311,833</b></u>       | <u>510,563</u>  |
|                                    | <u>5,639,136</u>                     | <u><b>5,757,994</b></u>     | <u>6,434,054</u>                                      |
| <b>Expenditures</b>                |                                      |                             |   |
| Central government                 | 891,885                              | <b>970,906</b>              | 928,352   |
| Protection to persons and property | 553,141                              | <b>554,437</b>              | 526,812   |
| Transportation services            | 1,883,399                            | <b>2,144,449</b>            | 2,061,758   |
| Health services                    | 177,785                              | <b>210,229</b>              | 177,887   |
| Social and family services         | 12,865                               | <b>12,055</b>               | 15,377  |
| Recreation and culture services    | 865,107                              | <b>841,514</b>              | 918,219   |
| Planning and development           | <u>374,777</u>                       | <u><b>515,325</b></u>       | <u>349,552</u>  |
|                                    | <u>4,758,959</u>                     | <u><b>5,248,915</b></u>     | <u>4,977,957</u>                                      |
| <b>Annual surplus</b>              | 880,177                              | <b>509,079</b>              | 1,456,097   |
| <b>Accumulated surplus</b>         |                                      |                             |   |
| Beginning of year                  | <u>9,946,559</u>                     | <u><b>9,946,559</b></u>     | <u>8,490,462</u>                                      |
| End of year                        | <u>\$ 10,826,736</u>                 | <u><b>\$ 10,455,638</b></u> | <u>\$ 9,946,559</u>                                   |

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See accompanying notes to the consolidated financial statements.

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**Township of Wainfleet**  
**Consolidated Statement of Changes in Net Financial**  
**Assets**

| For the Year Ended December 31              | 2009              | 2008                |
|---|-------------------|---------------------|
| Annual surplus                              | \$ 509,079        | \$ 1,456,097        |
| Amortization of tangible capital assets     | 706,295           | 580,691             |
| Acquisition of tangible capital assets      | (1,963,455)       | (1,917,721)         |
| Gain on sale of tangible capital assets     | (32,416)          | (4,911)             |
| Proceeds on sale of tangible capital assets | <u>37,123</u>     | <u>12,700</u>       |
|   | <u>(743,374)</u>  | <u>126,856</u>      |
| Use (acquisition) of inventory              | 129               | (199)               |
| Acquisition of prepaid expenses             | <u>(16,613)</u>   | <u>(7,519)</u>      |
|   | <u>(16,484)</u>   | <u>(7,718)</u>      |
| Increase (decrease) in net financial assets | (759,858)         | 119,138             |
| <b>Net financial assets</b>                 |                   |                     |
| Beginning of year                           | <u>1,536,661</u>  | <u>1,417,523</u>    |
| End of year                                 | <u>\$ 776,803</u> | <u>\$ 1,536,661</u> |

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See accompanying notes to the consolidated financial statements.

# Township of Wainfleet

## Consolidated Statement of Cash Flows

For the Year Ended December 31, 2009

|   | <u>2009</u>        | <u>2008</u><br>(As restated)<br>(Note 1(b)) |
|---|--------------------|---|
| <b>Increase (decrease) in cash and cash equivalents</b>             |                    |   |
| <b>Operating activities</b>   |                    |   |
| Annual surplus  | \$ 509,079         | \$ 1,456,097                                |
| Non-cash items  |                    |   |
| Amortization  | 706,295            | 580,691                                     |
| Decrease (increase) in taxes receivable                             | (128,253)          | 21,903                                      |
| Decrease (increase) in accounts receivable                          | 4,185              | (202,864)                                   |
| Increase in accounts payable and accrued liabilities                | 246,378            | 99,940                                      |
| Decrease in other liabilities                                       | (2,105)            | (1,161)                                     |
| Increase (decrease) in deferred revenue<br>for development purposes | 80,163             | (80,802)                                    |
| Increase in other assets  | <u>(16,484)</u>    | <u>(7,718)</u>                              |
|   | <u>1,399,258</u>   | <u>1,866,086</u>                            |
| <b>Capital activities</b>   |                    |   |
| Proceeds on sale of tangible capital assets                         | 37,123             | 12,700                                      |
| Gain on sale of tangible capital assets                             | (32,416)           | (4,911)                                     |
| Cash used to acquire tangible capital assets                        | <u>(1,963,455)</u> | <u>(1,917,721)</u>                          |
|   | <u>(1,958,748)</u> | <u>(1,909,932)</u>                          |
| <b>Financing activities</b>   |                    |   |
| Increase in employee benefit obligations                            | 25,256             | 1,886                                       |
| Issue of long term debt   | 55,638             | 34,338                                      |
| Repayment of long term debt   | <u>(35,121)</u>    | <u>(27,414)</u>                             |
|   | <u>45,773</u>      | <u>8,810</u>                                |
| <b>Investing activities</b>   |                    |   |
| Decrease (increase) in long term investments                        | <u>(1,476)</u>     | <u>17,362</u>                               |
| <b>Net decrease in cash and cash equivalents</b>                    | <b>(515,193)</b>   | <b>(17,674)</b>                             |
| <b>Cash and cash equivalents</b>                                    |                    |   |
| Beginning of year   | <u>898,009</u>     | <u>915,683</u>                              |
| End of year   | <u>\$ 382,816</u>  | <u>\$ 898,009</u>                           |
| <hr/>   |                    |   |
| Cash and cash equivalents consist of:                               |                    |   |
| Cash on hand  | \$ 1,750           | \$ 1,750                                    |
| Balances with banks   | <u>381,066</u>     | <u>896,259</u>                              |
|   | <u>\$ 382,816</u>  | <u>\$ 898,009</u>                           |

See accompanying notes to the consolidated financial statements.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

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### 1. Significant accounting policies

The consolidated financial statements of the Township of Wainfleet (“the Municipality”) are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Significant aspects of the accounting policies adopted by the municipality are as follows:

#### (a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances 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 15).

The statements exclude trust assets and activities that are administered for the benefit of external parties (Note 14).

#### (b) Basis of accounting

Effective January 1, 2009, the Municipality adopted the Public Sector Accounting Handbook (PSAB) Section 1200 - Financial Statement Presentation, which became applicable to local governments as of that date. This section requires the adoption of full accrual basis of accounting and the reporting of the change in net financial assets and accumulated surplus. The Municipality’s financial statements are now presented on this new basis and the comparative figures have been restated to conform with the new basis of presentation.

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.

Effective January 1, 2009, the Municipality adopted the PSAB Section 3150 - Tangible Capital Assets. The Municipality has recorded its tangible capital assets for 2009, as well as 2008 for comparative purposes.



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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

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### 1. Significant accounting policies (continued)

#### (b) Basis of accounting (continued)

The effect of the adoption of Sections 1200 and 3150 to the previously reported financial statements is as follows:

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| Accumulated surplus                          |                     |                     |
| Beginning of year                            |                     |                     |
| As previously recorded as Municipal position | \$ 1,690,367        | \$ 1,556,733        |
| Add recording of tangible capital assets     | 8,262,114           | 6,932,873           |
| Less capital lease obligation                | (11,849)            | (5,595)             |
| Add share of Niagara Central                 |                     |                     |
| Airport Commission surplus                   | <u>5,927</u>        | <u>6,451</u>        |
| As restated                                  | <u>\$ 9,946,559</u> | <u>\$ 8,490,462</u> |

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

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

The taxation, other revenues, expenditures, 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.

#### (d) Long term investments

Fixed income investments are recorded at amortized cost less amounts written off to reflect a permanent decline in value. Purchase premiums and discounts are amortized on the present value basis over the terms of the issues.

#### (e) Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenditures 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.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

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### 1. Significant accounting policies (continued)

#### (e) Tangible capital assets (continued)

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

Amortization is calculated on a straight-line basis to write-off the net cost of each asset over its estimated useful life for all classes except land. Land is considered to have an infinite life without amortization. Residual values of assets are assumed to be zero with any net gain or loss arising from the disposal of assets recognized in the 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 | 5 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.

#### (f) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

#### (g) Deferred revenue

Deferred revenue represents user charges, fees and grants which have been collected but for which the related services have yet to be performed. These accounts will be recognized as revenues in the fiscal year the services are performed. The Municipality receives cash in lieu of parkland under the authority of provincial legislation and Municipal by-laws. These funds, by their nature, are restricted in their use and, until applied to specific capital works, are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

#### (h) 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.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

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### 1. Significant accounting policies (continued)

#### (i) Reserves for future expenditures

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

#### (j) Investment income

Investment income earned on surplus funds are reported as revenue in the period earned. Investment income on deferred revenue funds is added to the fund balance and forms part of the deferred revenue balance.

#### (k) Government transfers

Government transfers include entitlements, transfers under shared cost agreements, and grants. Revenue is recognized for entitlements and grants in the period received. Revenue is recognized for transfers under shared cost agreements in the period the costs are incurred.

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

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 expenditures during the reporting period. Actual results could differ from those estimates.

#### (m) Budget figures

The budget for 2009 is reflected on the consolidated statement of operations. The budget established for 2009 included amounts for capital expenditures, however starting in 2009 these expenditures have been recorded as tangible capital asset additions. The budget figures do not include amounts for amortization of tangible capital assets.

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### 2. Long term investments

Long term investments consist of Municipal Government Bonds and Canadian Government Bonds and have a market value of \$ 48,502 (2008 - \$ 45,255).

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

|   |                          |                         |
|---|--------------------------|-------------------------|
| <b>3. Deferred revenue for development purposes</b> | <b><u>2009</u></b>       | <b><u>2008</u></b>      |
| Lot levies and subdivider contributions             | \$ 51,742                | \$ 49,920               |
| Gas tax   | <u>78,341</u>            | <u>          </u>       |
|   | <b><u>\$ 130,083</u></b> | <b><u>\$ 49,920</u></b> |

|                          |                    |                    |
|--------------------------|--------------------|--------------------|
| <b>4. Long term debt</b> | <b><u>2009</u></b> | <b><u>2008</u></b> |
|--------------------------|--------------------|--------------------|

(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 | \$ 89,813 | \$ 75,614 |
| Capital lease obligation                    | 18,167    | 11,849    |

|  |        |        |
|--|--------|--------|
| 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 | 78,053 | 91,956 |
|--|--------|--------|

|   |                 |                 |
|---|-----------------|-----------------|
| Of the long term debt shown above, the responsibility for payment of principal and interest charges for tile drainage and shoreline property assistance loans has been assumed by individuals | <u>(78,053)</u> | <u>(91,956)</u> |
|---|-----------------|-----------------|

|                    |                          |                         |
|--------------------|--------------------------|-------------------------|
| Net long term debt | <b><u>\$ 107,980</u></b> | <b><u>\$ 87,463</u></b> |
|--------------------|--------------------------|-------------------------|

(b) The net long term debt:

| <u>Purpose</u>             | <u>Interest Rates</u> | <u>Maturity Dates</u> | <b><u>2009</u></b>       | <b><u>2008</u></b>      |
|----------------------------|-----------------------|-----------------------|--------------------------|-------------------------|
| Cemetery crew cab          | 6.75                  | 2011                  | \$ 7,398                 | \$ 10,754               |
| Fire truck                 | 6.50                  | 2010                  | 21,644                   | 41,965                  |
| Grader                     | 4.50                  | 2014                  | 42,020                   |                         |
| Zamboni                    | 5.00                  | 2013                  | 18,751                   | 22,895                  |
| Leased equipment - copiers | Various               | 2011-2014             | <u>18,167</u>            | <u>11,849</u>           |
|                            |                       |                       | <b><u>\$ 107,980</u></b> | <b><u>\$ 87,463</u></b> |

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

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### 4. Long term debt (continued)

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

|      |           |
|------|-----------|
| 2010 | \$ 42,628 |
| 2011 | 22,060    |
| 2012 | 16,496    |
| 2013 | 17,135    |
| 2014 | 9,661     |

(d) Interest paid during the year amounted to \$ 5,499 (2008 - \$ 4,989).

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### 5. Employee benefit obligations

|                          | <u>2009</u>       | <u>2008</u>       |
|--------------------------|-------------------|-------------------|
| Post-employment benefits | <u>\$ 128,132</u> | <u>\$ 102,876</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, 2009

| 6. Accumulated surplus                       | <u>2009</u>          | <u>2008</u><br>(As restated)<br>(Note 1(b)) |
|--|----------------------|---|
| Consists of:                                 |                      |   |
| Surpluses (deficits)                         |                      |   |
| Township                                     | \$ (281,520)         | \$ 288,250                                  |
| Library                                      | -                    | -   |
| Niagara Central Airport Commission (Note 15) | <u>2,813</u>         | <u>1,298</u>                                |
|  | <u>(278,707)</u>     | <u>289,548</u>                              |
| Investment in tangible capital assets        | <u>9,514,567</u>     | <u>8,262,114</u>                            |
| Unfunded:                                    |                      |   |
| Long term debt                               | (107,980)            | (87,463)                                    |
| Employee benefit obligations                 | <u>(128,132)</u>     | <u>(102,876)</u>                            |
|  | <u>(236,112)</u>     | <u>(190,339)</u>                            |
| Reserves and reserve funds (Note 7)          | <u>1,455,890</u>     | <u>1,585,236</u>                            |
|  | <u>\$ 10,455,638</u> | <u>\$ 9,946,559</u>                         |

| 7. Reserves and reserve funds balances              | <u>2009</u>         | <u>2008</u>         |
|---|---------------------|---------------------|
| Reserves set aside for specific purposes by Council |                     |                     |
| Working capital                                     | \$ 562,230          | \$ 451,696          |
| Building permits                                    | 40,544              | 40,544              |
| Winter control                                      | 21,000              | 14,000              |
| Elections   | 22,094              | 16,094              |
| Capital expenditures                                | <u>810,013</u>      | <u>1,062,846</u>    |
|   | 1,455,881           | 1,585,180           |
| Reserve funds                                       |                     |                     |
| Library donations                                   | <u>9</u>            | <u>56</u>           |
|   | <u>\$ 1,455,890</u> | <u>\$ 1,585,236</u> |

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

| 8. Taxation                                | Budget<br><u>2009</u><br>(Unaudited) | Actual<br><u>2009</u> | Actual<br><u>2008</u> |
|--|--------------------------------------|-----------------------|-----------------------|
| Real property                              |                                      | \$ 10,261,663         | \$ 9,920,449          |
| From other governments                     |                                      |                       |                       |
| Payments in lieu of taxes                  |                                      | <u>20,116</u>         | <u>21,692</u>         |
|  |                                      | <u>10,281,779</u>     | <u>9,942,141</u>      |
| Less: taxation collected on behalf of      |                                      |                       |                       |
| Region of Niagara (Note 9)                 |                                      | 4,726,909             | 4,576,206             |
| School boards (Note 9)                     |                                      | <u>1,901,607</u>      | <u>1,853,128</u>      |
|  |                                      | <u>6,628,516</u>      | <u>6,429,334</u>      |
| Net taxes available for municipal purposes |                                      | <u>\$ 3,653,263</u>   | <u>\$ 3,512,807</u>   |
| Residential and farm                       | \$ 3,413,985                         | \$ 3,418,862          | \$ 3,281,296          |
| Commercial                                 | 184,319                              | 185,836               | 192,593               |
| Industrial                                 | <u>48,575</u>                        | <u>48,565</u>         | <u>38,918</u>         |
| Net taxes available for municipal purposes | <u>\$ 3,646,879</u>                  | <u>\$ 3,653,263</u>   | <u>\$ 3,512,807</u>   |

### 9. 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>2009</u>         | <u>2008</u>         |
|-------------------|---------------------|---------------------|
| Region of Niagara | \$ 4,726,909        | \$ 4,576,206        |
| School boards     | <u>1,901,607</u>    | <u>1,853,128</u>    |
|                   | <u>\$ 6,628,516</u> | <u>\$ 6,429,334</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, 2009

| 10. User charges              | Budget<br>2009<br>(Unaudited) | Actual<br>2009    | Actual<br>2008    |
|-------------------------------|-------------------------------|-------------------|-------------------|
| <b>Operating</b>              |                               |                   |                   |
| Fees and service charges      | \$ 351,830                    | \$ 367,898        | \$ 405,821        |
| Licences and permits          | <u>70,550</u>                 | <u>64,785</u>     | <u>72,995</u>     |
|                               | <u>422,380</u>                | <u>432,683</u>    | <u>478,816</u>    |
| <b>Capital</b>                |                               |                   |                   |
| Contributions from developers | 10,000                        | 6,475             | 23,083            |
| Special charges               | <u>                    </u>   | <u>12,578</u>     | <u>65,420</u>     |
|                               | <u>10,000</u>                 | <u>19,053</u>     | <u>88,503</u>     |
|                               | <u>\$ 432,380</u>             | <u>\$ 451,736</u> | <u>\$ 567,319</u> |

| 11. Grants           | Budget<br>2009<br>(Unaudited) | Actual<br>2009      | Actual<br>2008      |
|----------------------|-------------------------------|---------------------|---------------------|
| <b>Operating</b>     |                               |                     |                     |
| Government of Canada | \$ 8,500                      | \$ 6,780            | \$ 5,239            |
| Province of Ontario  | 514,651                       | 547,254             | 531,329             |
| Other municipalities | <u>49,000</u>                 | <u>50,796</u>       | <u>53,238</u>       |
|                      | <u>572,151</u>                | <u>604,830</u>      | <u>589,806</u>      |
| <b>Capital</b>       |                               |                     |                     |
| Government of Canada | 453,342                       | 421,315             | 162,685             |
| Province of Ontario  | <u>250,000</u>                | <u>315,017</u>      | <u>1,090,874</u>    |
|                      | <u>703,342</u>                | <u>736,332</u>      | <u>1,253,559</u>    |
|                      | <u>\$ 1,275,493</u>           | <u>\$ 1,341,162</u> | <u>\$ 1,843,365</u> |



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## Township of Wainfleet

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

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| 12. Other revenue                               | Budget<br><u>2009</u><br>(Unaudited) | Actual<br><u>2009</u> | Actual<br><u>2008</u> |
|---|--------------------------------------|-----------------------|-----------------------|
| <b>Operating</b>                                |                                      |                       |                       |
| Penalties and interest on taxes                 | \$ 145,000                           | \$ 167,080            | \$ 161,710            |
| Fines   | 25,600                               | 37,541                | 32,055                |
| Proceeds from sale of assets                    |                                      | 3,984                 |                       |
| Rents and leases                                | 3,300                                | 3,669                 | 3,618                 |
| Interest income                                 | 41,084                               | 14,581                | 52,929                |
| Interest income – reserves and<br>reserve funds |                                      | 3                     | 20                    |
| Donations                                       | 3,500                                | 3,198                 | 3,152                 |
| Donations – reserves and reserve funds          |                                      | 240                   | 1,375                 |
| Other   | <u>65,900</u>                        | <u>81,537</u>         | <u>255,704</u>        |
|   | <u>\$ 284,384</u>                    | <u>\$ 311,833</u>     | <u>\$ 510,563</u>     |

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#### 13. Pension agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions to OMERS are made at rates ranging from 6.5% to 9.6% depending on the proposed retirement age and the level of earnings. As a result \$ 218,322 (2008 - \$ 179,864) was contributed to OMERS for current service, of which \$ 109,161 (2008 - \$ 89,932) represents the employees' portion.

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#### 14. Trust funds

Trust funds administered by the Municipality amounting to \$ 540,424 (2008 - \$ 522,494) have not been included in the consolidated statement of financial position nor have these operations been included in the consolidated statement of operations.

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## Township of Wainfleet

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

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#### 15. 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 Niagara Central Airport Commission:

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| <b>Financial assets</b>                  |                     |                     |
| Cash and temporary investments           | \$ 85,038           | \$ 75,266           |
| Receivables                              | <u>19,616</u>       | <u>5,170</u>        |
|  | <u>104,654</u>      | <u>80,436</u>       |
| <b>Liabilities</b>                       |                     |                     |
| Accounts payable and accrued liabilities | <u>8,460</u>        | <u>7,839</u>        |
| <b>Net financial assets</b>              | <u>96,194</u>       | <u>72,597</u>       |
| <b>Non-financial assets</b>              |                     |                     |
| Prepaid expenses                         | 1,640               | 1,722               |
| Fuel inventory                           | 8,511               | 10,356              |
| Tangible capital assets                  | <u>1,112,429</u>    | <u>1,132,982</u>    |
|  | <u>1,122,580</u>    | <u>1,145,060</u>    |
| <b>Accumulated surplus</b>               | <u>\$ 1,218,774</u> | <u>\$ 1,217,657</u> |
| <b>Revenues</b>                          |                     |                     |
| Grants                                   | \$ 87,000           | \$ 90,348           |
| Fuel and rentals                         | 45,872              | 43,088              |
| Interest                                 | 925                 | 1,203               |
| <b>Expenditures</b>                      | <u>(132,680)</u>    | <u>(171,153)</u>    |
| <b>Annual surplus (deficit)</b>          | <u>\$ 1,117</u>     | <u>\$ (36,514)</u>  |

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2009 and the results of operations are as reported for the year ended December 31, 2009. The comparative financial position and results of operations figures are as reported by the Niagara Central Airport Commission at December 31, 2008.

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

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2009

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

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>2009</u>     | <u>2008</u>     |
|--------|-----------------|-----------------|
| Grants | <u>\$ 6,090</u> | <u>\$ 5,964</u> |

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### 16. Contingencies

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

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### 17. Financial instruments

The Municipality's financial instruments consist of cash, accounts receivable, temporary and long term investments, accounts payable, and long term debt. It is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

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### 18. Segmented information

The Municipality provides a wide range of services to its citizens. For reporting purposes the Municipality's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipality services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### Central government

Central government is comprised of Council, administrative department and clerk 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.

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# **Township of Wainfleet**

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

For the Year Ended December 31, 2009

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### **18. Segmented information (continued)**

#### **Transportation services**

Transportation 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 schedule of segment disclosure – service 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, 2009

|   | <u>Land</u>       | <u>Land<br/>Improvements</u> | <u>Buildings</u>    | <u>Machinery<br/>and<br/>Equipment</u> | <u>Infrastructure</u> | <u>Vehicles</u>   | <u>Construction<br/>in Process</u> | <u>2009</u>         |
|---|-------------------|------------------------------|---------------------|--|-----------------------|-------------------|------------------------------------|---------------------|
| <b>Cost</b>                                 |                   |                              |                     |  |                       |                   |                                    |                     |
| Beginning of year                           | \$ 611,948        | \$ 649,650                   | \$ 2,053,288        | \$ 2,062,256                           | \$ 8,789,302          | \$ 1,644,403      | \$ 562,301                         | \$ 16,373,148       |
| Add additions                               |                   | 35,466                       | 195,029             | 459,965                                | 1,788,732             | 36,226            | 10,338                             | 2,525,756           |
| Less construction in process<br>capitalized |                   |                              |                     |  |                       |                   | (562,301)                          | (562,301)           |
| Less disposals during the year              |                   |                              |                     | (236,410)                              | (312,337)             |                   |                                    | (548,747)           |
| End of year                                 | <u>611,948</u>    | <u>685,116</u>               | <u>2,248,317</u>    | <u>2,285,811</u>                       | <u>10,265,697</u>     | <u>1,680,629</u>  | <u>10,338</u>                      | <u>17,787,856</u>   |
| <b>Accumulated amortization</b>             |                   |                              |                     |  |                       |                   |                                    |                     |
| Beginning of year                           |                   | 354,869                      | 961,936             | 1,009,298                              | 4,979,648             | 805,283           |                                    | 8,111,034           |
| Add amortization during<br>the year         |                   | 22,495                       | 73,869              | 219,152                                | 296,962               | 93,817            |                                    | 706,295             |
| Less amortization on disposals              |                   |                              |                     | (234,188)                              | (309,852)             |                   |                                    | (544,040)           |
| End of year                                 |                   | <u>377,364</u>               | <u>1,035,805</u>    | <u>994,262</u>                         | <u>4,966,758</u>      | <u>899,100</u>    |                                    | <u>8,273,289</u>    |
| <b>Net book value</b>                       | <u>\$ 611,948</u> | <u>\$ 307,752</u>            | <u>\$ 1,212,512</u> | <u>\$ 1,291,549</u>                    | <u>\$ 5,298,939</u>   | <u>\$ 781,529</u> | <u>\$ 10,338</u>                   | <u>\$ 9,514,567</u> |

The net book value of equipment under capital leases is \$ 14,683.

## Township of Wainfleet Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2008

|   | <u>Land</u>       | <u>Land<br/>Improvements</u> | <u>Buildings</u>    | <u>Machinery<br/>and<br/>Equipment</u> | <u>Infrastructure</u> | <u>Vehicles</u>   | <u>Construction<br/>in Process</u> | <u>2008</u>         |
|---|-------------------|------------------------------|---------------------|--|-----------------------|-------------------|------------------------------------|---------------------|
| <b>Cost</b>                                 |                   |                              |                     |  |                       |                   |                                    |                     |
| Beginning of year                           | \$ 607,422        | \$ 649,650                   | \$ 1,865,107        | \$ 1,888,443                           | \$ 7,956,457          | \$ 1,659,285      | \$ 18,780                          | \$ 14,645,698       |
| Add additions                               | 4,526             |                              | 196,431             | 247,828                                | 925,969               |                   | 562,301                            | 1,936,501           |
| Less construction in process<br>capitalized |                   |                              |                     |  |                       |                   | (18,780)                           | (18,780)            |
| Less disposals during the year              |                   |                              | (8,250)             | (74,015)                               | (93,124)              | (14,882)          |                                    | (190,271)           |
| End of year                                 | <u>611,948</u>    | <u>649,650</u>               | <u>2,053,288</u>    | <u>2,062,256</u>                       | <u>8,789,302</u>      | <u>1,644,403</u>  | <u>562,301</u>                     | <u>16,373,148</u>   |
| <b>Accumulated amortization</b>             |                   |                              |                     |  |                       |                   |                                    |                     |
| Beginning of year                           |                   | 334,256                      | 898,182             | 896,828                                | 4,857,713             | 725,846           |                                    | 7,712,825           |
| Add amortization during<br>the year         |                   | 20,613                       | 64,992              | 185,708                                | 215,059               | 94,319            |                                    | 580,691             |
| Less amortization on disposals              |                   |                              | (1,238)             | (73,238)                               | (93,124)              | (14,882)          |                                    | (182,482)           |
| End of year                                 |                   | <u>354,869</u>               | <u>961,936</u>      | <u>1,009,298</u>                       | <u>4,979,648</u>      | <u>805,283</u>    |                                    | <u>8,111,034</u>    |
| <b>Net book value</b>                       | <u>\$ 611,948</u> | <u>\$ 294,781</u>            | <u>\$ 1,091,352</u> | <u>\$ 1,052,958</u>                    | <u>\$ 3,809,654</u>   | <u>\$ 839,120</u> | <u>\$ 562,301</u>                  | <u>\$ 8,262,114</u> |

The net book value of equipment under capital leases is \$ 10,917.

## Township of Wainfleet

### Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2009

|                                     | Central<br>Government | Protection<br>to<br>Persons<br>and<br>Property | Transportatio<br>n Services | Health<br>Services | Social and<br>Family<br>Services | Recreation<br>and Culture<br>Services | Planning and<br>Development | Eliminations | Consolidated |
|-------------------------------------|-----------------------|--|-----------------------------|--------------------|----------------------------------|---------------------------------------|-----------------------------|--------------|--------------|
| <b>REVENUES</b>                     |                       |  |                             |                    |                                  |                                       |                             |              |              |
| Taxation                            | \$ 214,860            | \$ 530,919                                     | \$ 1,941,844                | \$ 57,385          | \$ 12,898                        | \$ 706,083                            | \$ 189,274                  |              | \$ 3,653,263 |
| User charges                        |                       | 65,033   | 14,528                      | 96,998             |                                  | 183,630                               | 91,547                      |              | 451,736      |
| Grants                              | 486,900               |  | 717,630                     | 3,360              |                                  | 49,792                                | 83,480                      |              | 1,341,162    |
| Other                               | 220,396               | 16,426   | 387,242                     | 18,654             |                                  | 20,103                                | 1,016                       | \$ (352,004) | 311,833      |
|                                     | 922,156               | 612,378  | 3,061,244                   | 176,397            | 12,898                           | 959,608                               | 365,317                     | (352,004)    | 5,757,994    |
| <b>EXPENSES</b>                     |                       |  |                             |                    |                                  |                                       |                             |              |              |
| Salaries and benefits               | 614,745               | 243,767  | 691,157                     | 156,289            |                                  | 487,951                               | 223,361                     |              | 2,417,270    |
| Operating materials and<br>supplies | 246,641               | 127,963  | 1,354,885                   | 40,697             |                                  | 242,195                               | 289,004                     | (352,004)    | 1,949,381    |
| Contracted services                 | 32,654                |  | 7,415                       |                    |                                  |                                       |                             |              | 40,069       |
| Rent and financial expenses         | 2,288                 |  |                             |                    |                                  |                                       |                             |              | 2,288        |
| External transfers to others        |                       | 108,058  |                             |                    | 12,055                           | 8,000                                 |                             |              | 128,113      |
| Amortization                        | 74,140                | 71,921   | 442,147                     | 13,243             |                                  | 101,884                               | 2,960                       |              | 706,295      |
| Debt service                        | 438                   | 2,728  | 849                         |                    |                                  | 1,484                                 |                             |              | 5,499        |
|                                     | 970,906               | 554,437  | 2,496,453                   | 210,229            | 12,055                           | 841,514                               | 515,325                     | (352,004)    | 5,248,915    |
| <b>NET SURPLUS</b>                  | \$ (48,750)           | \$ 57,941                                      | \$ 564,791                  | \$ (33,832)        | \$ 843                           | \$ 118,094                            | \$ (150,008)                | \$ Nil       | \$ 509,079   |

## Township of Wainfleet

### Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2008

|                                     | Central<br>Government | Protection<br>to<br>Persons<br>and<br>Property | Transportatio<br>n Services | Health<br>Services | Social and<br>Family<br>Services | Recreation<br>and Culture<br>Services | Planning and<br>Development | Eliminations  | Consolidated        |
|-------------------------------------|-----------------------|--|-----------------------------|--------------------|----------------------------------|---------------------------------------|-----------------------------|---------------|---------------------|
| <b>REVENUES</b>                     |                       |  |                             |                    |                                  |                                       |                             |               |                     |
| Taxation                            | \$ 327,576            | \$ 445,440                                     | \$ 1,857,681                | \$ 47,080          | \$ 7,596                         | \$ 671,865                            | \$ 155,569                  |               | \$ 3,512,807        |
| User charges                        |                       | 72,904   | 27,745                      | 94,854             |                                  | 237,716                               | 134,100                     |               | 567,319             |
| Grants                              | 714,374               | 1,012  | 1,023,738                   | 2,453              |                                  | 18,698                                | 83,090                      |               | 1,843,365           |
| Other                               | 396,375               | 47,371   | 342,841                     | 23,630             |                                  | 32,868                                | 2,686                       | \$ (335,208)  | 510,563             |
|                                     | 1,438,325             | 566,727  | 3,252,005                   | 168,017            | 7,596                            | 961,147                               | 375,445                     | (335,208)     | 6,434,054           |
| <b>EXPENSES</b>                     |                       |  |                             |                    |                                  |                                       |                             |               |                     |
| Salaries and benefits               | 545,865               | 222,364  | 720,180                     | 132,882            |                                  | 577,718                               | 185,694                     |               | 2,384,703           |
| Operating materials and<br>supplies | 302,625               | 136,519  | 1,344,341                   | 32,082             |                                  | 235,890                               | 144,399                     | (335,208)     | 1,860,648           |
| Contracted services                 | 13,412                |  | 7,187                       |                    |                                  |                                       |                             |               | 20,599              |
| Rent and financial expenses         | 4,989                 |  |                             |                    |                                  |                                       |                             |               | 4,989               |
| External transfers to others        |                       | 97,961   |                             |                    | 15,377                           | 8,000                                 |                             |               | 121,338             |
| Amortization                        | 61,461                | 66,000   | 324,697                     | 12,923             |                                  | 96,151                                | 19,459                      |               | 580,691             |
| Debt service                        |                       | 3,968  | 561                         |                    |                                  | 460                                   |                             |               | 4,989               |
|                                     | 928,352               | 526,812  | 2,396,966                   | 177,887            | 15,377                           | 918,219                               | 349,552                     | (335,208)     | 4,977,957           |
| <b>NET SURPLUS</b>                  | <b>\$ 509,973</b>     | <b>\$ 39,915</b>                               | <b>\$ 855,039</b>           | <b>\$ (9,870)</b>  | <b>\$ (7,781)</b>                | <b>\$ 42,928</b>                      | <b>\$ 25,893</b>            | <b>\$ Nil</b> | <b>\$ 1,456,097</b> |



# Township of Wainfleet

## Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2009

|   | Budget<br><u>2009</u><br>(Unaudited) | Actual<br><u>2009</u> | Actual<br><u>2008</u> |
|---|--------------------------------------|-----------------------|-----------------------|
| <b>Central government</b>                 |                                      |                       |                       |
| <b>Revenue</b>                            |                                      |                       |                       |
| Taxation                                  | \$ 214,485                           | \$ 214,860            | \$ 327,576            |
| Grants                                    | 486,900                              | 486,900               | 714,374               |
| Other                                     | <u>210,500</u>                       | <u>220,396</u>        | <u>396,375</u>        |
|   | <u>911,885</u>                       | <u>922,156</u>        | <u>1,438,325</u>      |
| <b>Expenditures</b>                       |                                      |                       |                       |
| Salaries and benefits                     | 587,408                              | 614,745               | 545,865               |
| Operating materials and supplies          | 284,177                              | 246,641               | 302,625               |
| Contracted services                       | 15,000                               | 32,654                | 13,412                |
| Rent and financial expenses               | 5,300                                | 2,288                 | 4,989                 |
| Amortization                              |                                      | 74,140                | 61,461                |
| Debt service                              |                                      | <u>438</u>            |                       |
|   | <u>891,885</u>                       | <u>970,906</u>        | <u>928,352</u>        |
| <b>Net revenues (expenditures)</b>        | <u>\$ 20,000</u>                     | <u>\$ (48,750)</u>    | <u>\$ 509,973</u>     |
| <b>Protection to persons and property</b> |                                      |                       |                       |
| <b>Revenue</b>                            |                                      |                       |                       |
| Taxation                                  | \$ 529,991                           | \$ 530,919            | \$ 445,440            |
| User charges                              | 71,000                               | 65,033                | 72,904                |
| Grants                                    |                                      |                       | 1,012                 |
| Other                                     | <u>27,200</u>                        | <u>16,426</u>         | <u>47,371</u>         |
|   | <u>628,191</u>                       | <u>612,378</u>        | <u>566,727</u>        |
| <b>Expenditures</b>                       |                                      |                       |                       |
| Salaries and benefits                     | 256,664                              | 243,767               | 222,364               |
| Operating materials and supplies          | 194,447                              | 127,963               | 136,519               |
| External transfers to others              | 102,030                              | 108,058               | 97,961                |
| Amortization                              |                                      | 71,921                | 66,000                |
| Debt service                              |                                      | <u>2,728</u>          | <u>3,968</u>          |
|   | <u>553,141</u>                       | <u>554,437</u>        | <u>526,812</u>        |
| <b>Net revenues</b>                       | <u>\$ 75,050</u>                     | <u>\$ 57,941</u>      | <u>\$ 39,915</u>      |

# Township of Wainfleet

## Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2009

|                                  | Budget<br><u>2009</u><br>(Unaudited) | Actual<br><u>2009</u>     | Actual<br><u>2008</u> |
|----------------------------------|--------------------------------------|---------------------------|-----------------------|
| <b>Transportation services</b>   |                                      |                           |                       |
| <b>Revenue</b>                   |                                      |                           |                       |
| Taxation                         | \$ 1,938,461                         | \$ <b>1,941,844</b>       | \$ 1,857,681          |
| User charges                     | 29,570                               | <b>14,528</b>             | 27,745                |
| Grants                           | 703,342                              | <b>717,630</b>            | 1,023,738             |
| Other                            | <u>348,384</u>                       | <u><b>387,242</b></u>     | <u>342,841</u>        |
|                                  | <u>3,019,757</u>                     | <u><b>3,061,244</b></u>   | <u>3,252,005</u>      |
| <b>Expenditures</b>              |                                      |                           |                       |
| Salaries and benefits            | 784,605                              | <b>691,157</b>            | 720,180               |
| Operating materials and supplies | 1,438,868                            | <b>1,354,885</b>          | 1,344,341             |
| Contracted services              | 7,500                                | <b>7,415</b>              | 7,187                 |
| Amortization                     |                                      | <b>442,147</b>            | 324,697               |
| Debt service                     | <u>726</u>                           | <u><b>849</b></u>         | <u>561</u>            |
|                                  | <u>2,231,699</u>                     | <u><b>2,496,453</b></u>   | <u>2,396,966</u>      |
| <b>Net revenues</b>              | <u>\$ 788,058</u>                    | <u>\$ <b>564,791</b></u>  | <u>\$ 855,039</u>     |
| <hr/>                            |                                      |                           |                       |
| <b>Health services</b>           |                                      |                           |                       |
| <b>Revenue</b>                   |                                      |                           |                       |
| Taxation                         | \$ 57,285                            | \$ <b>57,385</b>          | \$ 47,080             |
| User charges                     | 100,500                              | <b>96,998</b>             | 94,854                |
| Grants                           |                                      | <b>3,360</b>              | 2,453                 |
| Other                            | <u>20,000</u>                        | <u><b>18,654</b></u>      | <u>23,630</u>         |
|                                  | <u>177,785</u>                       | <u><b>176,397</b></u>     | <u>168,017</u>        |
| <b>Expenditures</b>              |                                      |                           |                       |
| Salaries and benefits            | 143,600                              | <b>156,289</b>            | 132,882               |
| Operating materials and supplies | 34,185                               | <b>40,697</b>             | 32,082                |
| Amortization                     |                                      | <b>13,243</b>             | 12,923                |
|                                  | <u>177,785</u>                       | <u><b>210,229</b></u>     | <u>177,887</u>        |
| <b>Net expenditures</b>          | <u>\$ Nil</u>                        | <u>\$ <b>(33,832)</b></u> | <u>\$ (9,870)</u>     |

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## Township of Wainfleet

### Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2009

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|  | Budget<br><u>2009</u><br>(Unaudited) | Actual<br><u>2009</u> | Actual<br><u>2008</u> |
|--|--------------------------------------|-----------------------|-----------------------|
| <b>Social and family services</b>      |                                      |                       |                       |
| <b>Revenue</b>                         |                                      |                       |                       |
| Taxation                               | \$ 12,865                            | \$ 12,898             | \$ 7,596              |
| <b>Expenditures</b>                    |                                      |                       |                       |
| External transfers to others           | <u>12,865</u>                        | <u>12,055</u>         | <u>15,377</u>         |
| <b>Net revenues (expenditures)</b>     | <u>\$ Nil</u>                        | <u>\$ 843</u>         | <u>\$ (7,781)</u>     |
| <hr/>                                  |                                      |                       |                       |
| <b>Recreation and culture services</b> |                                      |                       |                       |
| <b>Revenue</b>                         |                                      |                       |                       |
| Taxation                               | \$ 704,849                           | \$ 706,083            | \$ 671,865            |
| User charges                           | 187,260                              | 183,630               | 237,716               |
| Grants                                 | 22,041                               | 49,792                | 18,698                |
| Other                                  | <u>25,100</u>                        | <u>20,103</u>         | <u>32,868</u>         |
|  | <u>939,250</u>                       | <u>959,608</u>        | <u>961,147</u>        |
| <b>Expenditures</b>                    |                                      |                       |                       |
| Salaries and benefits                  | 559,632                              | 487,951               | 577,718               |
| Operating materials and supplies       | 296,330                              | 242,195               | 235,890               |
| External transfers to others           | 8,000                                | 8,000                 | 8,000                 |
| Amortization                           |                                      | 101,884               | 96,151                |
| Debt service                           | <u>1,145</u>                         | <u>1,484</u>          | <u>460</u>            |
|  | <u>865,107</u>                       | <u>841,514</u>        | <u>918,219</u>        |
| <b>Net revenues</b>                    | <u>\$ 74,143</u>                     | <u>\$ 118,094</u>     | <u>\$ 42,928</u>      |

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**Township of Wainfleet**  
**Schedule of Segment Disclosure with Budget Information**

For the Year Ended December 31, 2009

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|                                    | Budget<br><u>2009</u><br>(Unaudited) | Actual<br><u>2009</u>      | Actual<br><u>2008</u> |
|------------------------------------|--------------------------------------|----------------------------|-----------------------|
| <b>Planning and development</b>    |                                      |                            |                       |
| <b>Revenue</b>                     |                                      |                            |                       |
| Taxation                           | \$ 188,943                           | \$ <b>189,274</b>          | \$ 155,569            |
| User charges                       | 44,050                               | <b>91,547</b>              | 134,100               |
| Grants                             | 63,210                               | <b>83,480</b>              | 83,090                |
| Other                              | <u>1,500</u>                         | <u><b>1,016</b></u>        | <u>2,686</u>          |
|                                    | <u>297,703</u>                       | <u><b>365,317</b></u>      | <u>375,445</u>        |
| <b>Expenditures</b>                |                                      |                            |                       |
| Salaries and benefits              | 209,050                              | <b>223,361</b>             | 185,694               |
| Operating materials and supplies   | 165,727                              | <b>289,004</b>             | 144,399               |
| Amortization                       | <u>          </u>                    | <u><b>2,960</b></u>        | <u>19,459</u>         |
|                                    | <u>374,777</u>                       | <u><b>515,325</b></u>      | <u>349,552</u>        |
| <b>Net revenues (expenditures)</b> | <u>\$ (77,074)</u>                   | <u><b>\$ (150,008)</b></u> | <u>\$ 25,893</u>      |

## Auditors' report

**Grant Thornton LLP**  
Suite B  
222 Catharine Street, PO Box 336  
Port Colborne, ON  
L3K 5W1  
T (905) 834-3651  
F (905) 834-5095  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Members of Council, Inhabitants and Ratepayers of the

### **Corporation of the Township of Wainfleet**

We have audited the consolidated statement of financial position of the Corporation of the Township of Wainfleet as at December 31, 2009 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Township's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express an opinion on the budget figures.

Port Colborne, Ontario  
June 11, 2010

*Grant Thornton LLP*

Chartered Accountants  
Licensed Public Accountants

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## Township of Wainfleet Trust Funds

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### Statement of Continuity

for the year ended December 31, 2009

|                                      | <u>Total</u>      | <u>Cemetery<br/>Perpetual<br/>Care Fund</u> | <u>Cemetery<br/>Care and<br/>Mtc. Fund</u> |
|--------------------------------------|-------------------|---|--|
| Balance at the beginning of the year | <u>\$ 522,494</u> | <u>\$ 441,843</u>                           | <u>\$ 80,651</u>                           |
| Capital receipts                     |                   |   |  |
| Perpetual Care collections           | 17,930            | 14,080                                      | 3,850                                      |
| Interest earned                      | <u>18,654</u>     | <u>16,130</u>                               | <u>2,524</u>                               |
|                                      | <u>36,584</u>     | <u>30,210</u>                               | <u>6,374</u>                               |
| Expenditures                         |                   |   |  |
| Transfer to revenue                  | <u>18,654</u>     | <u>16,130</u>                               | <u>2,524</u>                               |
| Balance at the end of the year       | <u>\$ 540,424</u> | <u>\$ 455,923</u>                           | <u>\$ 84,501</u>                           |

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### Statement of Financial Position

as at December 31, 2009

|                     | <u>Total</u>      | <u>Cemetery<br/>Perpetual<br/>Care Fund</u> | <u>Cemetery<br/>Care and<br/>Mtc. Fund</u> |
|---------------------|-------------------|---|--|
| <b>Assets</b>       |                   |   |  |
| Cash                | \$ 3,698          | \$ 2,190                                    | \$ 1,508                                   |
| Investments at cost |                   |   |  |
| Municipal - own     | 89,813            | 89,813                                      |  |
| - other             | <u>465,567</u>    | <u>380,050</u>                              | <u>85,517</u>                              |
|                     | <u>\$ 559,078</u> | <u>\$ 472,053</u>                           | <u>\$ 87,025</u>                           |
| <b>Liabilities</b>  |                   |   |  |
| Due to Municipality | \$ 18,654         | \$ 16,130                                   | \$ 2,524                                   |
| Fund balance        | <u>540,424</u>    | <u>455,923</u>                              | <u>84,501</u>                              |
|                     | <u>\$ 559,078</u> | <u>\$ 472,053</u>                           | <u>\$ 87,025</u>                           |

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See accompanying notes to the financial statements

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

For the Year Ended December 31, 2009

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**1. Accounting policies**

**Basis of accounting**

Income and capital receipts are reported on the cash basis.

Expenditures 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 expenditures 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.

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**2. Investments**

The total trust funds investments of \$ 555,380 (2008 - \$ 512,285) reported on the Statement of Financial Position are recorded at cost and have a market value of \$ 555,345 (2008 - \$ 509,699) at the end of the year.

Included in investments are debentures issued by the Township of Wainfleet totaling \$ 89,813 (2008 - \$ 75,614).