

Financial Report

Township of Wainfleet

2012

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# Independent auditor's report

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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, 2012, 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, 2012, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Port Colborne, Canada  
August 13, 2013

Chartered Accountants  
Licensed Public Accountants

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## Township of Wainfleet Consolidated Statement of Financial Position

As at December 31

2012

2011

### Financial assets

Cash and cash equivalents	\$ 1,048,906	\$ 513,227
Portfolio investments (Note 2)	31,381	35,162
Taxes receivable	1,196,800	1,260,101
Accounts receivable	<u>247,109</u>	<u>335,166</u>
	<u>2,524,196</u>	<u>2,143,656</u>

### Liabilities

Accounts payable and accrued liabilities	602,112	401,334
Other liabilities	318,471	235,950
Deferred revenue for development purposes (Note 4)	113,249	76,250
Long term debt (Note 5)	215,790	244,836
Employee benefit obligations (Notes 6 and 14)	<u>146,438</u>	<u>163,651</u>
	<u>1,396,060</u>	<u>1,122,021</u>

### Net financial assets

	<u>1,128,136</u>	<u>1,021,635</u>
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### Non-financial assets

Tangible capital assets (Pages 20 and 21)	11,034,508	10,523,851
Other assets	<u>157,501</u>	<u>157,127</u>
	<u>11,192,009</u>	<u>10,680,978</u>

### Accumulated surplus (Note 7)

	<u>\$ 12,320,145</u>	<u>\$ 11,702,613</u>
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Contingencies (Note 18)

Approved by

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

\_\_\_\_\_  
Treasurer

See accompanying notes and schedules to the consolidated financial statements

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## Township of Wainfleet

### Consolidated Statement of Operations

For the Year Ended December 31, 2012

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	Budget <u>2012</u> (Note 16)	Actual <u>2012</u>	Actual <u>2011</u>
<b>Revenue</b>			
Taxation (Note 9)	\$ 4,246,120	\$ <b>4,267,439</b>	\$ 4,118,651
User charges (Note 11)	702,645	<b>596,423</b>	517,882
Grants (Note 12)	781,477	<b>829,637</b>	897,914
Other (Note 13)	<u>293,735</u>	<u><b>347,300</b></u>	<u>360,585</u>
	<u>6,023,977</u>	<u><b>6,040,799</b></u>	<u>5,895,032</u>
<b>Expenses</b>			
General government	1,006,446	<b>1,083,105</b>	1,007,079
Protection to persons and property	998,109	<b>859,201</b>	682,238
Transportation services	2,183,798	<b>1,944,287</b>	2,056,208
Health services	230,172	<b>207,579</b>	216,908
Social and family services	10,200	<b>10,200</b>	10,150
Recreation and culture services	959,515	<b>903,398</b>	985,707
Planning and development	<u>295,724</u>	<u><b>415,497</b></u>	<u>408,954</u>
	<u>5,683,964</u>	<u><b>5,423,267</b></u>	<u>5,367,244</u>
<b>Annual surplus</b>	340,013	<b>617,532</b>	527,788
<b>Accumulated surplus (Note 7)</b>			
Beginning of year	<u>11,702,613</u>	<u><b>11,702,613</b></u>	<u>11,174,825</u>
End of year	<u>\$ 12,042,626</u>	<u><b>\$ 12,320,145</b></u>	<u>\$ 11,702,613</u>

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See accompanying notes and schedules 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

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	Budget <u>2012</u> (Note 16)	Actual <u>2012</u>	Actual <u>2011</u>
Annual surplus	\$ 340,013	\$ 617,532	\$ 527,788
Amortization of tangible capital assets	797,869	797,869	758,627
Acquisition of tangible capital assets	(1,147,670)	(1,343,245)	(1,201,768)
Proceeds on sale of tangible capital assets	-	36,507	1,590
Loss (gain) on sale of tangible capital assets	-	(1,788)	146
	(9,788)	106,875	86,383
Acquisition of inventory	-	(897)	(705)
Use (acquisition) of prepaid expenses	-	523	(144,454)
	-	(374)	(145,159)
Increase (decrease) in net financial assets	(9,788)	106,501	(58,776)
<b>Net financial assets</b>			
Beginning of year	1,021,635	1,021,635	1,080,411
End of year	\$ 1,011,847	\$ 1,128,136	\$ 1,021,635

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See accompanying notes and schedules to the consolidated financial statements

# Township of Wainfleet

## Consolidated Statement of Cash Flows

For the Year Ended December 31

2012

2011

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

<b>Operating activities</b>		
Annual surplus	\$ 617,532	\$ 527,788
Non-cash items		
Amortization	797,869	758,627
Decrease in taxes receivable	63,301	54,775
Decrease in accounts receivable	88,057	179,996
Increase (decrease) in accounts payable and accrued liabilities	200,778	(45,164)
Increase in other liabilities	82,521	29,694
Increase (decrease) in deferred revenue for development purposes	36,999	(9,864)
Increase in other assets	<u>(374)</u>	<u>(145,159)</u>
	<b><u>1,886,683</u></b>	<b><u>1,350,693</u></b>
<b>Capital activities</b>		
Proceeds on sale of tangible capital assets	36,507	1,590
Loss (gain) on sale of tangible capital assets	(1,788)	146
Acquisition of tangible capital assets	<u>(1,343,245)</u>	<u>(1,201,768)</u>
	<b><u>(1,308,526)</u></b>	<b><u>(1,200,032)</u></b>
<b>Financing activities</b>		
Increase (decrease) in employee benefit obligations	(17,213)	14,741
Issue of long term debt	17,450	70,000
Repayment of long term debt	<u>(46,496)</u>	<u>(35,837)</u>
	<b><u>(46,259)</u></b>	<b><u>48,904</u></b>
<b>Investing activities</b>		
Decrease in long term investments	<u>3,781</u>	<u>14,920</u>
<b>Net increase in cash and cash equivalents</b>	<b>535,679</b>	<b>214,485</b>
<b>Cash and cash equivalents</b>		
Beginning of year	<u>513,227</u>	<u>298,742</u>
End of year	<b><u>\$ 1,048,906</u></b>	<b><u>\$ 513,227</u></b>
Cash and cash equivalents consist of:		
Cash on hand	\$ 1,750	\$ 1,750
Balances with banks	<u>1,047,156</u>	<u>511,477</u>
	<b><u>\$ 1,048,906</u></b>	<b><u>\$ 513,227</u></b>

See accompanying notes and schedules to the consolidated financial statements



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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

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### 1. Significant accounting policies

The consolidated financial statements of the Corporation of the Township of Wainfleet (“the Municipality”) are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

#### (a) Reporting entity

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

Wainfleet Public Library Board

Interdepartmental and organizational transactions and balances are eliminated.

The following joint local board is proportionality consolidated:

Niagara Central Airport Commission (Joint Board)

Related party transactions are eliminated (Note 17).

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

#### (b) Basis of accounting

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

#### (c) Cash and cash equivalents

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

#### (d) Portfolio investments

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

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

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### 1. Significant accounting policies (continued)

#### (e) 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.

#### (f) 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.

#### (g) Tangible capital assets

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

The Municipality 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 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

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

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### 1. Significant accounting policies (continued)

#### (g) Tangible capital assets (continued)

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.

#### (h) Inventories

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

#### (i) Reserves for future expenses

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

#### (j) 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.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

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### 1. Significant accounting policies (continued)

#### (j) Revenue recognition (continued)

##### 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.

#### (k) 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.

#### (l) 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.

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### 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 \$ 31,869 (2011 - \$ 35,181).

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### 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, 2012, \$ Nil has been drawn on the operating line. The operating line is secured by a borrowing by-law containing a pledge of revenues.

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### 4. Deferred revenue for development purposes

	<u>2012</u>	<u>2011</u>
Lot levies and subdivider contributions	\$ 32,381	\$ 35,953
Development charges	<u>80,868</u>	<u>40,297</u>
	<u>\$ 113,249</u>	<u>\$ 76,250</u>

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

<b>5. Long term debt</b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>(a)</b> The balance of net long term debt reported on the Consolidated Statement of Financial Position is made up of the following:		
Long term debt incurred by the Municipality	<b>\$ 205,401</b>	\$ 229,433
Capital lease obligation	<b>10,389</b>	15,403
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	<b>79,189</b>	93,309
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	<b><u>(79,189)</u></b>	<u>(93,309)</u>
Net long term debt	<b><u>\$ 215,790</u></b>	<b><u>\$ 244,836</u></b>

**(b)** The net long term debt:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<b><u>2012</u></b>	<b><u>2011</u></b>
Excavator	4.50	2018	<b>\$ 107,914</b>	\$ 123,288
Grader	4.50	2014	<b>17,925</b>	26,312
Pickup truck	4.00	2017	<b>17,450</b>	
Zamboni	5.00	2013	<b>5,036</b>	9,833
International Workstar	4.00	2016	<b>57,076</b>	70,000
Leased equipment - photocopiers	Various	2013-2016	<b><u>10,389</u></b>	<u>15,403</u>
			<b><u>\$ 215,790</u></b>	<b><u>\$ 244,836</u></b>

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

2013	\$ 51,729
2014	45,817
2015	37,795
2016	37,501
2017	42,948

**(d)** Interest paid during the year amounted to \$ 10,964 (2011 - \$ 9,972).

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## Township of Wainfleet

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

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<b>6. Employee benefit obligations</b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Post-employment benefits	<b><u>\$ 146,438</u></b>	<b><u>\$ 163,651</u></b>

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

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

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

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<b>7. Accumulated surplus</b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Consists of:		
Surpluses (deficits)		
Township	\$ (645,520)	\$ (383,003)
Library	-	-
Niagara Central Airport Commission (Note 17)	<u>5,201</u>	<u>7,594</u>
	<b><u>(640,319)</u></b>	<b><u>(375,409)</u></b>
Investment in tangible capital assets	<b><u>11,034,508</u></b>	<b><u>10,523,851</u></b>
Unfunded:		
Long term debt	(215,790)	(244,836)
Employee benefit obligations	<u>(146,438)</u>	<u>(163,651)</u>
	<b><u>(362,228)</u></b>	<b><u>(408,487)</u></b>
Reserves and reserve funds (Note 8)	<b><u>2,288,184</u></b>	<b><u>1,962,658</u></b>
	<b><u>\$ 12,320,145</u></b>	<b><u>\$ 11,702,613</u></b>

# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

8. Reserves and reserve funds balances	<u>2012</u>	<u>2011</u>
<b>Reserves set aside for specific purposes by Council</b>		
Working capital	\$ 700,000	\$ 666,414
Building permits	29,927	36,861
Septic department	-	(15,562)
Insurance	50,468	-
Winter control	100,000	45,000
Elections	25,000	12,500
Capital expenses	<u>1,382,523</u>	<u>1,217,309</u>
	<b>2,287,918</b>	1,962,522
<b>Reserve funds</b>		
Library donations	<u>266</u>	<u>136</u>
	<b><u>\$ 2,288,184</u></b>	<b><u>\$ 1,962,658</u></b>

9. Taxation	Budget <u>2012</u>	Actual <u>2012</u>	Actual <u>2011</u>
Real property	\$ 11,109,790	\$ 11,310,372	\$ 10,858,514
From other governments			
Payments in lieu of taxes	<u>9,000</u>	<u>22,037</u>	<u>21,033</u>
	<u>11,118,790</u>	<u>11,332,409</u>	<u>10,879,547</u>
Less: taxation collected on behalf of			
Region of Niagara (Note 10)	5,017,766	5,117,393	4,826,634
School boards (Note 10)	<u>1,854,904</u>	<u>1,947,577</u>	<u>1,934,262</u>
	<u>6,872,670</u>	<u>7,064,970</u>	<u>6,760,896</u>
Net taxes available for municipal purposes	<u>\$ 4,246,120</u>	<u>\$ 4,267,439</u>	<u>\$ 4,118,651</u>
Residential and farm	\$ 3,996,215	\$ 4,009,049	\$ 3,865,947
Commercial	190,853	199,338	196,348
Industrial	<u>59,052</u>	<u>59,052</u>	<u>56,356</u>
Net taxes available for municipal purposes	<u>\$ 4,246,120</u>	<u>\$ 4,267,439</u>	<u>\$ 4,118,651</u>

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## Township of Wainfleet

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

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#### 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>2012</u>	<u>2011</u>
Region of Niagara	<b>\$ 5,117,393</b>	\$ 4,826,634
School boards	<u>1,947,577</u>	<u>1,934,262</u>
	<b><u>\$ 7,064,970</u></b>	<b><u>\$ 6,760,896</u></b>

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.

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11. User charges	Budget <u>2012</u>	Actual <u>2012</u>	Actual <u>2011</u>
<b>Operating</b>			
Fees and service charges	\$ 340,945	<b>\$ 403,493</b>	\$ 340,823
Licences and permits	<u>361,700</u>	<u>182,932</u>	<u>89,622</u>
	<u>702,645</u>	<b><u>586,425</u></b>	<u>430,445</u>
<b>Capital</b>			
Contributions from developers	-	<b>9,998</b>	25,483
Special charges	<u>-</u>	<u>-</u>	<u>61,954</u>
	<u>-</u>	<b><u>9,998</u></b>	<u>87,437</u>
	<b><u>\$ 702,645</u></b>	<b><u>\$ 596,423</u></b>	<b><u>\$ 517,882</u></b>



# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

12. Grants	Budget <u>2012</u>	Actual <u>2012</u>	Actual <u>2011</u>
<b>Operating</b>			
Government of Canada	\$ -	\$ -	\$ 3,694
Province of Ontario	521,741	<b>537,988</b>	527,835
Other municipalities	<u>57,250</u>	<u><b>55,041</b></u>	<u>79,281</u>
	<u>578,991</u>	<u><b>593,029</b></u>	<u>610,810</u>
<b>Capital</b>			
Government of Canada	202,486	<b>202,486</b>	233,777
Province of Ontario	-	<b>34,122</b>	22,543
Other municipalities	<u>-</u>	<u>-</u>	<u>30,784</u>
	<u>202,486</u>	<u><b>236,608</b></u>	<u>287,104</u>
	<u>\$ 781,477</u>	<u><b>\$ 829,637</b></u>	<u>\$ 897,914</u>
<hr/>			
13. Other revenue	Budget <u>2012</u>	Actual <u>2012</u>	Actual <u>2011</u>
<b>Operating</b>			
Penalties and interest on taxes	\$ 190,000	\$ <b>177,188</b>	\$ 203,749
Fines	35,500	<b>42,464</b>	42,214
Rents and leases	3,805	<b>9,784</b>	13,004
Interest income	10,000	<b>22,308</b>	18,940
Interest income – reserves and reserve funds	-	<b>10</b>	2
Donations	3,000	<b>4,816</b>	12,872
Donations – reserves and reserve funds	-	<b>260</b>	100
Other	<u>51,430</u>	<u><b>68,682</b></u>	<u>69,850</u>
	<u>293,735</u>	<u><b>325,512</b></u>	<u>360,731</u>
<b>Capital</b>			
Contributed tangible capital assets	-	<b>20,000</b>	-
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u><b>1,788</b></u>	<u>(146)</u>
	<u>-</u>	<u><b>21,788</b></u>	<u>(146)</u>
	<u>\$ 293,735</u>	<u><b>\$ 347,300</b></u>	<u>\$ 360,585</u>

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

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### 14. 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 8.3% to 13.9% depending on the proposed retirement age and the level of earnings. As a result \$ 346,354 (2011 - \$ 265,308) was contributed to OMERS for current service, of which \$ 173,177 (2011 - \$ 132,654) represents the employees' portion.

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

Trust funds administered by the Municipality amounting to \$ 603,251 (2011 - \$ 579,444) 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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### 16. Budget

The budget bylaw adopted by Council June 12, 2012 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)	\$	-
Add:		
Acquisition of tangible capital assets		1,147,670
Transfers to reserves		386,673
Repayment of long term debt		44,937
Less:		
Transfers from reserves		(291,398)
Amortization of tangible capital assets		(797,869)
Loan proceeds		<u>(150,000)</u>
Budgeted surplus per Consolidated Statement of Operations	\$	<u>340,013</u>

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## Township of Wainfleet

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

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#### 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>2012</u>	<u>2011</u>
<b>Financial assets</b>		
Cash and temporary investments	\$ 62,860	\$ 158,877
Receivables	<u>9,897</u>	<u>6,737</u>
	<u>72,757</u>	<u>165,614</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	<u>5,302</u>	<u>3,630</u>
<b>Net financial assets</b>	<u>67,455</u>	<u>161,984</u>
<b>Non-financial assets</b>		
Prepaid expenses	1,378	1,563
Fuel inventory	21,630	11,361
Tangible capital assets	<u>1,168,219</u>	<u>1,089,147</u>
	<u>1,191,227</u>	<u>1,102,071</u>
<b>Accumulated surplus</b>	<u>\$ 1,258,682</u>	<u>\$ 1,264,055</u>
<b>Revenues</b>		
Grants	\$ 75,810	\$ 90,155
Fuel and rentals	55,919	48,525
Interest	432	344
<b>Expenses</b>	<u>(137,534)</u>	<u>(122,069)</u>
<b>Annual surplus (deficit)</b>	<u>\$ (5,373)</u>	<u>\$ 16,955</u>

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2012 and the results of operations are as reported for the year ended December 31, 2012. The comparative financial position and results of operations figures are as reported by the Niagara Central Airport Commission at December 31, 2011.

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.

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# Township of Wainfleet

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2012

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### 17. 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>2012</u>	<u>2011</u>
Grants	<u>\$ 5,306</u>	<u>\$ 6,296</u>

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### 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.

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### 19. 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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### 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.

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# **Township of Wainfleet**

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

For the Year Ended December 31, 2012

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

#### **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, 2012

	<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>2012</u>
<b>Cost</b>								
Beginning of year	\$ 611,769	\$ 789,488	\$ 2,281,684	\$ 2,217,867	\$ 11,513,350	\$ 1,971,134	\$ 8,227	\$ 19,393,519
Add additions	179	30,044	112,096	283,357	625,922	199,856	91,791	1,343,245
Less disposals during the year	-	-	-	(161,207)	(170,602)	(296,699)	-	(628,508)
End of year	<u>611,948</u>	<u>819,532</u>	<u>2,393,780</u>	<u>2,340,017</u>	<u>11,968,670</u>	<u>1,874,291</u>	<u>100,018</u>	<u>20,108,256</u>
<b>Accumulated amortization</b>								
Beginning of year	-	435,296	1,178,549	972,510	5,230,072	1,053,241	-	8,869,668
Add amortization during the year	-	30,466	72,569	207,744	373,614	113,476	-	797,869
Less amortization on disposals	-	-	-	(133,179)	(163,911)	(296,699)	-	(593,789)
End of year	-	<u>465,762</u>	<u>1,251,118</u>	<u>1,047,075</u>	<u>5,439,775</u>	<u>870,018</u>	-	<u>9,073,748</u>
<b>Net book value</b>	<u>\$ 611,948</u>	<u>\$ 353,770</u>	<u>\$ 1,142,662</u>	<u>\$ 1,292,942</u>	<u>\$ 6,528,895</u>	<u>\$ 1,004,273</u>	<u>\$ 100,018</u>	<u>\$ 11,034,508</u>

The net book value of equipment under capital leases is \$ 5,166.

## Township of Wainfleet Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2011

	<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>2011</u>
<b>Cost</b>								
Beginning of year	\$ 613,425	\$ 749,008	\$ 2,282,310	\$ 2,282,847	\$ 11,103,225	\$ 1,715,688	\$ -	\$ 18,746,503
Add additions	-	40,480	-	136,104	738,383	278,574	8,227	1,201,768
Less disposals during the year	<u>(1,656)</u>	<u>-</u>	<u>(626)</u>	<u>(201,084)</u>	<u>(328,258)</u>	<u>(23,128)</u>	<u>-</u>	<u>(554,752)</u>
End of year	<u>611,769</u>	<u>789,488</u>	<u>2,281,684</u>	<u>2,217,867</u>	<u>11,513,350</u>	<u>1,971,134</u>	<u>8,227</u>	<u>19,393,519</u>
<b>Accumulated amortization</b>								
Beginning of year	-	405,552	1,111,845	971,907	5,201,500	973,253	-	8,664,057
Add amortization during the year	-	29,744	67,264	201,685	356,818	103,116	-	758,627
Less amortization on disposals	<u>-</u>	<u>-</u>	<u>(560)</u>	<u>(201,082)</u>	<u>(328,246)</u>	<u>(23,128)</u>	<u>-</u>	<u>(553,016)</u>
End of year	<u>-</u>	<u>435,296</u>	<u>1,178,549</u>	<u>972,510</u>	<u>5,230,072</u>	<u>1,053,241</u>	<u>-</u>	<u>8,869,668</u>
<b>Net book value</b>	<u>\$ 611,769</u>	<u>\$ 354,192</u>	<u>\$ 1,103,135</u>	<u>\$ 1,245,357</u>	<u>\$ 6,283,278</u>	<u>\$ 917,893</u>	<u>\$ 8,227</u>	<u>\$ 10,523,851</u>

The net book value of equipment under capital leases is \$ 8,796.

## Township of Wainfleet

### Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2012

	General Government	Protection to Persons and Property	Transportation Services	Health Services	Social and Family Services	Recreation and Culture Services	Planning and Development	Eliminations	Consolidated
<b>Revenues</b>									
Taxation	\$ 333,998	\$ 599,951	\$ 2,307,077	\$ 110,090	\$ 10,251	\$ 696,859	\$ 209,213	\$ -	\$ 4,267,439
User charges	-	183,321	38,170	94,274	-	202,360	78,298	-	596,423
Grants	493,200	100	202,486	2,240	-	26,506	105,105	-	829,637
Other	241,891	22,045	405,362	20,672	-	53,596	1,720	(397,986)	347,300
	1,069,089	805,417	2,953,095	227,276	10,251	979,321	394,336	(397,986)	6,040,799
<b>Expenses</b>									
Salaries and benefits	622,908	504,749	735,258	165,404	-	576,195	229,177	-	2,833,691
Operating materials and supplies	376,313	217,144	1,023,053	31,743	-	223,254	182,358	(397,986)	1,655,879
Contracted services	19,602	-	8,007	-	-	-	-	-	27,609
Rent and financial expenses	3,489	-	-	-	-	-	-	-	3,489
External transfers to others	-	51,033	24,893	-	10,200	8,000	-	-	94,126
Amortization	60,587	86,275	541,470	10,432	-	94,782	3,962	-	797,508
Debt service	206	-	9,592	-	-	1,167	-	-	10,965
	1,083,105	859,201	2,342,273	207,579	10,200	903,398	415,497	(397,986)	5,423,267
<b>Annual surplus (deficit)</b>	\$ (14,016)	\$ (53,784)	\$ 610,822	\$ 19,697	\$ 51	\$ 75,923	\$ (21,161)	\$ -	\$ 617,532



## Township of Wainfleet

### Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2011

	General Government	Protection to Persons and Property	Transportation Services	Health Services	Social and Family Services	Recreation and Culture Services	Planning and Development	Eliminations	Consolidated
<b>Revenues</b>									
Taxation	\$ 316,781	\$ 551,990	\$ 2,167,472	\$ 97,381	\$ 9,632	\$ 812,060	\$ 163,335	\$ -	\$ 4,118,651
User charges	-	90,027	41,074	95,260	-	177,709	113,812	-	517,882
Grants	487,400	280	267,232	-	-	50,961	92,041	-	897,914
Other	276,902	25,668	468,187	20,396	-	29,936	3,905	(464,409)	360,585
	1,081,083	667,965	2,943,965	213,037	9,632	1,070,666	373,093	(464,409)	5,895,032
<b>Expenses</b>									
Salaries and benefits	654,757	323,736	772,890	146,709	-	569,831	223,070	-	2,690,993
Operating materials and supplies	273,162	171,829	1,195,658	59,707	-	318,725	182,386	(464,409)	1,737,058
Contracted services	20,036	-	7,911	-	-	-	-	-	27,947
Rent and financial expenses	2,502	-	-	-	-	-	-	-	2,502
External transfers to others	-	109,120	12,874	-	10,150	8,000	-	-	140,144
Amortization	56,302	77,553	523,172	10,492	-	87,610	3,498	-	758,627
Debt service	320	-	8,112	-	-	1,541	-	-	9,973
	1,007,079	682,238	2,520,617	216,908	10,150	985,707	408,954	(464,409)	5,367,244
<b>Annual surplus (deficit)</b>	\$ 74,004	\$ (14,273)	\$ 423,348	\$ (3,871)	\$ (518)	\$ 84,959	\$ (35,861)	\$ -	\$ 527,788

# Township of Wainfleet

## Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2012

	Budget <u>2012</u>	Actual <u>2012</u>	Actual <u>2011</u>
<b>General government</b>			
<b>Revenue</b>			
Taxation	\$ 332,329	\$ <b>333,998</b>	\$ 316,781
Grants	492,700	<b>493,200</b>	487,400
Other	<u>229,000</u>	<u><b>241,891</b></u>	<u>276,902</u>
	<u>1,054,029</u>	<u><b>1,069,089</b></u>	<u>1,081,083</u>
<b>Expenses</b>			
Salaries and benefits	642,355	<b>622,908</b>	654,757
Operating materials and supplies	276,504	<b>376,313</b>	273,162
Contracted services	21,000	<b>19,602</b>	20,036
Rent and financial expenses	6,000	<b>3,489</b>	2,502
Amortization	60,587	<b>60,587</b>	56,302
Debt service	<u>-</u>	<u><b>206</b></u>	<u>320</u>
	<u>1,006,446</u>	<u><b>1,083,105</b></u>	<u>1,007,079</u>
<b>Annual surplus (deficit)</b>	<u>\$ 47,583</u>	<u>\$ <b>(14,016)</b></u>	<u>\$ 74,004</u>
<b>Protection to persons and property</b>			
<b>Revenue</b>			
Taxation	\$ 596,954	\$ <b>599,951</b>	\$ 551,990
User charges	362,200	<b>183,321</b>	90,027
Grants	-	<b>100</b>	280
Other	<u>17,250</u>	<u><b>22,045</b></u>	<u>25,668</u>
	<u>976,404</u>	<u><b>805,417</b></u>	<u>667,965</u>
<b>Expenses</b>			
Salaries and benefits	615,057	<b>504,749</b>	323,736
Operating materials and supplies	245,327	<b>217,144</b>	171,829
External transfers to others	51,450	<b>51,033</b>	109,120
Amortization	<u>86,275</u>	<u><b>86,275</b></u>	<u>77,553</u>
	<u>998,109</u>	<u><b>859,201</b></u>	<u>682,238</u>
<b>Annual deficit</b>	<u>\$ (21,705)</u>	<u>\$ <b>(53,784)</b></u>	<u>\$ (14,273)</u>

# Township of Wainfleet

## Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2012

	Budget <u>2012</u>	Actual <u>2012</u>	Actual <u>2011</u>
<b>Transportation services</b>			
<b>Revenue</b>			
Taxation	\$ 2,295,551	\$ <b>2,307,077</b>	\$ 2,167,472
User charges	33,120	<b>38,170</b>	41,074
Grants	202,486	<b>202,486</b>	267,232
Other	<u>382,500</u>	<u><b>405,362</b></u>	<u>468,187</u>
	<u>2,913,657</u>	<u><b>2,953,095</b></u>	<u>2,943,965</u>
<b>Expenses</b>			
Salaries and benefits	757,241	<b>735,258</b>	772,890
Operating materials and supplies	1,213,265	<b>1,023,053</b>	1,195,658
Contracted services	8,005	<b>8,007</b>	7,911
External transfers to others	35,306	<b>24,893</b>	12,874
Amortization	541,470	<b>541,470</b>	523,172
Debt service	<u>10,150</u>	<u><b>9,592</b></u>	<u>8,112</u>
	<u>2,565,437</u>	<u><b>2,342,273</b></u>	<u>2,520,617</u>
<b>Annual surplus</b>	<u>\$ 348,220</u>	<u><b>\$ 610,822</b></u>	<u>\$ 423,348</u>
<hr/>			
<b>Health services</b>			
<b>Revenue</b>			
Taxation	\$ 109,540	\$ <b>110,090</b>	\$ 97,381
User charges	91,200	<b>94,274</b>	95,260
Grants	-	<b>2,240</b>	-
Other	<u>19,000</u>	<u><b>20,672</b></u>	<u>20,396</u>
	<u>219,740</u>	<u><b>227,276</b></u>	<u>213,037</u>
<b>Expenses</b>			
Salaries and benefits	159,650	<b>165,404</b>	146,709
Operating materials and supplies	60,090	<b>31,743</b>	59,707
Amortization	<u>10,432</u>	<u><b>10,432</b></u>	<u>10,492</u>
	<u>230,172</u>	<u><b>207,579</b></u>	<u>216,908</u>
<b>Annual surplus (deficit)</b>	<u>\$ (10,432)</u>	<u><b>\$ 19,697</b></u>	<u>\$ (3,871)</u>

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## Township of Wainfleet

### Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2012

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	Budget <u>2012</u>	Actual <u>2012</u>	Actual <u>2011</u>
<b>Social and family services</b>			
<b>Revenue</b>			
Taxation	\$ 10,200	\$ 10,251	\$ 9,632
<b>Expenses</b>			
External transfers to others	<u>10,200</u>	<u>10,200</u>	<u>10,150</u>
<b>Annual surplus (deficit)</b>	<u>\$ -</u>	<u>\$ 51</u>	<u>\$ (518)</u>
<hr/>			
<b>Recreation and culture services</b>			
<b>Revenue</b>			
Taxation	\$ 693,378	\$ 696,859	\$ 812,060
User charges	183,125	202,360	177,709
Grants	13,541	26,506	50,961
Other	<u>26,985</u>	<u>53,596</u>	<u>29,936</u>
	<u>917,029</u>	<u>979,321</u>	<u>1,070,666</u>
<b>Expenses</b>			
Salaries and benefits	567,757	576,195	569,831
Operating materials and supplies	288,484	223,254	318,725
External transfers to others	8,000	8,000	8,000
Amortization	94,782	94,782	87,610
Debt service	<u>492</u>	<u>1,167</u>	<u>1,541</u>
	<u>959,515</u>	<u>903,398</u>	<u>985,707</u>
<b>Annual surplus (deficit)</b>	<u>\$ (42,486)</u>	<u>\$ 75,923</u>	<u>\$ 84,959</u>

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## Township of Wainfleet

### Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2012

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	Budget <u>2012</u>	Actual <u>2012</u>	Actual <u>2011</u>
<b>Planning and development</b>			
<b>Revenue</b>			
Taxation	\$ 208,168	\$ <b>209,213</b>	\$ 163,335
User charges	33,000	<b>78,298</b>	113,812
Grants	72,750	<b>105,105</b>	92,041
Other	<u>1,000</u>	<u><b>1,720</b></u>	<u>3,905</u>
	<u>314,918</u>	<u><b>394,336</b></u>	<u>373,093</u>
<b>Expenses</b>			
Salaries and benefits	196,200	<b>229,177</b>	223,070
Operating materials and supplies	95,562	<b>182,358</b>	182,386
Amortization	<u>3,962</u>	<u><b>3,962</b></u>	<u>3,498</u>
	<u>295,724</u>	<u><b>415,497</b></u>	<u>408,954</u>
<b>Annual surplus (deficit)</b>	<u>\$ 19,194</u>	<u><b>\$ (21,161)</b></u>	<u>\$ (35,861)</u>

## Independent auditor's report

**Grant Thornton LLP**  
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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 trust funds of the Corporation of the Township of Wainfleet, which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statement of operations for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated 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 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 financial position of the trust funds of the Corporation of the Township of Wainfleet as at December 31, 2012, 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 consolidated financial statements, which describes the basis of accounting. The consolidated 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 consolidated 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.

Port Colborne, Canada  
August 13, 2013

*Grant Thornton LLP*

Chartered Accountants  
Licensed Public Accountants

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## Township of Wainfleet

### Trust Funds

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#### Consolidated Statement of Operations

For the year ended December 31, 2012

	<u>Total</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Cemetery Care and Mtc. Fund</u>
<b>Revenue</b>			
Perpetual care collections	\$ 23,807	\$ 19,457	\$ 4,350
Interest earned	<u>20,672</u>	<u>18,288</u>	<u>2,384</u>
	44,479	37,745	6,734
<b>Expenses</b>			
Transfer to revenue	<u>20,672</u>	<u>18,288</u>	<u>2,384</u>
<b>Annual surplus</b>	<b>23,807</b>	19,457	4,350
<b>Accumulated surplus</b>			
Beginning of year	<u>579,444</u>	<u>488,393</u>	<u>91,051</u>
End of year	<u>\$ 603,251</u>	<u>\$ 507,850</u>	<u>\$ 95,401</u>

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#### Consolidated Statement of Financial Position

As at December 31, 2012

	<u>Total</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Cemetery Care and Mtc. Fund</u>
<b>Assets</b>			
Cash	\$ 57,818	\$ 52,802	\$ 5,016
Investments, at cost			
Municipal - own	205,401	205,401	-
- other	<u>360,704</u>	<u>267,935</u>	<u>92,769</u>
	<u>\$ 623,923</u>	<u>\$ 526,138</u>	<u>\$ 97,785</u>
<b>Liabilities</b>			
Due to Municipality	\$ 20,672	\$ 18,288	\$ 2,384
Fund balance	<u>603,251</u>	<u>507,850</u>	<u>95,401</u>
	<u>\$ 623,923</u>	<u>\$ 526,138</u>	<u>\$ 97,785</u>

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See accompanying notes to the consolidated financial statements



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# **Township of Wainfleet**

## **Trust Funds**

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

For the Year Ended December 31, 2012

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#### **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.

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#### **2. Investments**

The investments of \$ 566,105 (2011 - \$ 579,822) reported on the Consolidated Statement of Financial Position are recorded at cost and have a market value of \$ 565,899 (2011 - \$ 581,558) at the end of the year. Included in investments are debentures issued by the Township of Wainfleet totaling \$ 205,401 (2011 - \$ 229,433).