

Consolidated Financial Statements of

**The Corporation of the
Township of West Lincoln**

December 31, 2021

CONTENTS

	<u>Page</u>
The Corporation of the Township of West Lincoln	
Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditor's Report	2
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8
Consolidated Schedule of Tangible Capital Assets	26
Consolidated Schedule of Segment Disclosure	28
The Corporation of the Township of West Lincoln - Trust Funds	
Independent Auditor's Report	30
Statement of Financial Position & Statement of Operations and Accumulated Surplus	32
Notes to the Financial Statements	33

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Township of West Lincoln (the "Municipality") are the responsibility of the Municipality's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Municipality's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Council meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MNP LLP, independent external auditors appointed by the Municipality. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.



Chief Administrative Officer



Treasurer

July 18, 2022

To the Members of Council, Inhabitants, and Taxpayers of The Corporation of the Township of West Lincoln:

Opinion

We have audited the consolidated financial statements of The Corporation of the Township of West Lincoln (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year ended then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2021, and the results of its consolidated operations, changes in its net financial assets and its consolidated cash flows for then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative Information

As part of our audit of the consolidated financial statements of the Municipality for the year ended December 31, 2021, we also audited the adjustments described in Note 27 that were applied to restate the consolidated financial statements for the year ended December 31, 2020. In our opinion, such adjustments are appropriate and have been properly applied.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Burlington, Ontario

July 18, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

The Corporation of the Township of West Lincoln

Consolidated Statement of Financial Position

As At December 31, 2021

	2021	2020
		(Restated - Note 27)
Financial assets		
Cash and cash equivalents (Note 2)	\$ 15,877,421	\$ 16,605,867
Portfolio investments (Note 3)	10,032,248	7,328,540
Taxes receivable	1,963,549	1,952,989
User charges receivable	894,035	820,385
Accounts receivable	1,377,028	1,593,301
Long term receivables	21,323	154
Investment in subsidiary (Note 4)	7,896,894	7,753,184
	<u>38,062,498</u>	<u>36,054,420</u>
Liabilities		
Accounts payable and accrued liabilities	3,830,121	3,875,531
Other liabilities	2,540,832	2,297,733
Due to trust funds (Note 18)	261,013	250,013
Deferred revenue (Note 5)	6,953,704	6,463,045
Long term debt (Note 7)	18,071,487	17,833,766
Liability for contaminated site (Note 8)	302,667	297,445
Employee benefit obligations (Note 9)	961,921	890,326
	<u>32,921,745</u>	<u>31,907,859</u>
Net financial assets	<u>5,140,753</u>	<u>4,146,561</u>
Non-financial assets		
Tangible capital assets (Pages 26 and 27)	92,809,831	92,509,797
Inventory	16,222	16,417
Prepaid expenses	164,389	127,882
	<u>92,990,442</u>	<u>92,654,096</u>
Accumulated surplus (Note 10)	<u>\$ 98,131,195</u>	<u>\$ 96,800,657</u>

Contingencies (Note 19)
Commitments (Note 20)

Approved by



Chief Administrative Officer



Treasurer

See accompanying notes and schedules to the consolidated financial statements

The Corporation of the Township of West Lincoln

Consolidated Statement of Operations and Accumulated Surplus

For the Year Ended December 31, 2021

	Budget 2021	Actual 2021	Actual 2020
	(Note 22)		(Restated - Note 27)
Revenues			
Taxation (Note 12)	\$ 9,097,970	\$ 9,181,012	\$ 8,552,705
User charges (Note 14)	5,495,340	5,191,666	5,022,238
Government transfers (Note 15)	1,509,750	1,585,487	1,457,124
Other (Note 16)	966,140	1,330,632	1,228,727
	<u>17,069,200</u>	<u>17,288,797</u>	<u>16,260,794</u>
Expenses			
General government	2,379,849	2,239,595	2,288,015
Protection to persons and property	2,008,929	1,814,293	1,585,922
Transportation services	4,633,016	4,433,877	4,117,828
Environmental services	4,609,277	4,307,691	4,471,321
Health services	135,514	113,919	97,930
Recreation and cultural services	3,780,387	3,424,250	3,091,193
Planning and development	952,992	658,179	760,619
	<u>18,499,964</u>	<u>16,991,804</u>	<u>16,412,828</u>
Net (expense) revenue	<u>(1,430,764)</u>	<u>296,993</u>	<u>(152,034)</u>
Other			
Revenue related to tangible capital assets			
User charges (Note 14)	605,300	335,995	698,584
Government transfers (Note 15)	732,570	513,549	1,579,250
Other (Note 16)	-	61,494	211,412
Contributed tangible capital assets	-	16,981	1,262,825
Loss on disposal of tangible capital assets	-	(38,184)	(182,333)
Change in equity of subsidiary (Note 4)	-	143,710	139,925
	<u>1,337,870</u>	<u>1,033,545</u>	<u>3,709,663</u>
Annual (deficit) surplus	<u>(92,894)</u>	<u>1,330,538</u>	<u>3,557,629</u>
Accumulated surplus (Note 10)			
Beginning of year	96,800,657	96,800,657	93,243,028
End of year	<u>\$ 96,707,763</u>	<u>\$ 98,131,195</u>	<u>\$ 96,800,657</u>

See accompanying notes and schedules to the consolidated financial statements

The Corporation of the Township of West Lincoln

Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2021

	Budget 2021	Actual 2021	Actual 2020
	(Note 22)		(Restated - Note 27)
Annual (deficit) surplus	\$ (92,894)	\$ 1,330,538	\$ 3,557,629
Amortization of tangible capital assets	3,449,674	3,449,674	3,215,836
Acquisition of tangible capital assets	(5,400,383)	(4,589,804)	(8,046,226)
Capitalization of prior year construction in progress	-	704,060	1,677,860
Loss on disposal of tangible capital assets	-	38,184	182,333
Proceeds from sale of tangible capital assets	-	97,852	-
	(2,043,603)	1,030,504	587,432
Use of inventory	-	195	1,449
(Acquisition) use of prepaid expenses	-	(36,507)	16,132
Change in net financial assets	(2,043,603)	994,192	605,013
Net financial assets			
Beginning of year	4,146,561	4,146,561	3,541,548
End of year	\$ 2,102,958	\$ 5,140,753	\$ 4,146,561

See accompanying notes and schedules to the consolidated financial statements

The Corporation of the Township of West Lincoln

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2021

	2021	2020
		(Restated - Note 27)
Operating activities		
Annual surplus	\$ 1,330,538	\$ 3,557,629
Non-cash items		
Amortization of tangible capital assets	3,449,674	3,215,836
Loss on disposal of tangible capital assets	38,184	182,333
Increase in taxes receivable	(10,560)	(109,729)
Increase in user charges receivable	(73,650)	(40,944)
Decrease in accounts receivable	216,273	232,131
(Decrease) increase in accounts payable and accrued liabilities	(45,410)	250,772
Increase in other liabilities	243,099	229,668
Increase in due to trust funds	11,000	10,526
Increase (decrease) in deferred revenue	490,659	(195,378)
Increase in liability for contaminated site	5,222	9,830
Increase in employee benefit obligations	71,595	87,369
Decrease in inventory	195	1,449
(Increase) decrease in prepaid expenses	(36,507)	16,132
	<u>5,690,312</u>	<u>7,447,624</u>
Capital activities		
Proceeds from sale of tangible capital assets	97,852	-
Capitalization of prior year construction in progress	704,060	1,677,860
Acquisition of tangible capital assets	(4,589,804)	(8,046,226)
	<u>(3,787,892)</u>	<u>(6,368,366)</u>
Investing activities		
(Increase) decrease in portfolio investments	(2,703,708)	5,097,237
Increase in investment in subsidiary	(143,710)	(139,925)
(Increase) decrease in long term receivables	(21,169)	362
	<u>(2,868,587)</u>	<u>4,957,674</u>
Financing activities		
Issuance of long term debt	900,000	-
Payment of long term debt	(662,279)	(662,280)
	<u>237,721</u>	<u>(662,280)</u>
Net change in cash and cash equivalents	<u>(728,446)</u>	<u>5,374,652</u>
Cash and cash equivalents		
Beginning of year	<u>16,605,867</u>	<u>11,231,215</u>
End of year	<u>\$ 15,877,421</u>	<u>\$ 16,605,867</u>

See accompanying notes and schedules to the consolidated financial statements

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

The Corporation of the Township of West Lincoln (the "Municipality") was amalgamated/incorporated in 1970 as a municipality under the Province of Ontario and operates under the provision of the Municipal Act, 2001.

1. Significant accounting policies

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

The significant accounting policies used are as follows:

(a) Reporting entity

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

West Lincoln Public Library Board

Interdepartmental and organizational transactions and balances are eliminated.

Niagara Peninsula Energy Inc. is a subsidiary corporation of the Municipality and is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises (Note 4). Under the modified equity basis, the government business enterprise's accounting principles are not adjusted to conform with those of the Municipality, and inter-organizational transactions and balances are not eliminated.

The statements exclude trust assets that are administered for the benefit of external parties (Note 18).

(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) Financial instruments

i) Measurement

The Municipality initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Municipality subsequently measures its financial assets and financial liabilities at amortized cost.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

(c) Financial instruments (continued)

i) Measurement (continued)

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable, and long term receivables.

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

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations. The write-down reflects the difference between the carrying amount and the higher of: the present value of the cash flows expected to be generated by the asset or group of assets; the amount that could be realized by selling the assets or group of assets; and the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the event occurring after the impairment confirms that a reversal is necessary, the reversal is recognized in the statement of operations up to the amount of the previously recognized impairment.

(d) 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.

(e) Portfolio investments

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

(f) Deferred revenue

Receipts that are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenses are incurred, restricted revenues are brought into revenue at equal amounts. 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.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

(g) Liability for contaminated sites

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

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

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

(h) Employee benefit obligations

The Municipality provides certain benefits which will require funding in future periods. These benefits include extended health and dental benefits for certain retirees. The costs of extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, health care cost trends, long-term inflation rates and discount rates.

For self-insured retirement benefits that vest or accumulate over the periods of service provided by employees, the cost is actuarially determined using the projected accrued benefit cost method pro-rated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gain or loss related to the past service of employees are amortized over the expected average remaining service life to the expected retirement age of the employee group.

(i) 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 the date of acquisition and are also recorded as revenue. The Municipality does not capitalize interest as part of the costs of its capital assets.

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

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.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

(i) Tangible capital assets (continued)

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

Classification	Useful Life
Land improvements	15 to 40 years
Facilities	20 to 50 years
Rolling stock	5 to 20 years
Equipment	5 to 20 years
Infrastructure – transportation	10 to 75 years
Infrastructure – environmental	15 to 80 years

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

(j) Subdivision infrastructure

Subdivision roads, lighting, sidewalks, drainage and other infrastructure are required to be provided by subdivision developers. Upon completion, they are turned over to the Municipality. The Municipality is not involved in the construction and does not budget for either the contribution from the developer or the capital expense.

(k) Reserves for future expenses

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

(l) Revenue recognition

i) Taxation

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

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

(l) Revenue recognition (continued)

i) Taxation (continued)

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

ii) User charges

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

iii) Government transfers

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

iv) Other

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

v) Investment income

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

(m) Local improvements

The Municipality records capital expenses funded by local improvement agreements as they are incurred. Revenues are recognized in the year they become payable.

(n) Region of Niagara and school board transactions

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

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

(o) Use of estimates and measurement uncertainty

The preparation of the financial statements in conformity 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Estimates are used with accounting for items such as allowances for taxes receivable, accrued liabilities, liability for contaminated site, employee benefit obligations and tangible capital assets.

2. Cash and cash equivalents

Cash and temporary investments are comprised of:

	2021	2020
Cash on hand	\$ 528	\$ 1,953
Cash held in banks	15,792,524	15,887,199
Investments maturing within three months	84,369	716,715
	\$ 15,877,421	\$ 16,605,867

3. Portfolio investments

	2021	2020
Guaranteed investment certificates	\$ 7,973,165	\$ 5,668,355
Debentures and bonds	2,059,083	1,660,185
	\$ 10,032,248	\$ 7,328,540

Portfolio investments carry an effective interest rate ranging from 0.45% to 3.65% and maturity dates ranging from April 2022 to May 2033. Interest is receivable on an annual basis. Portfolio investments reported on the consolidated statement of financial position have a market value of \$10,122,994 (2020 - \$7,510,988).

4. Investment in subsidiary

Peninsula West Power Inc. (PWPI), established by Municipal Council under Municipal By-law 2004-45, is an amalgamation of hydro-electric commissions from the municipalities of Lincoln, West Lincoln and Pelham. PWPI wholly-owns Peninsula West Services Ltd. (PWSL), which provides water heater, sentinel lights and related services and owns a 25.5% share of Niagara Peninsula Energy Inc. (NPEI), which provides electric distribution services. The Corporation of the Township of West Lincoln has a 24% interest in PWPI.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

4. Investment in subsidiary (continued)

The following table provides condensed supplementary financial information for Peninsula West Power Inc. (PWPI):

	2021	2020
Financial position		
Current assets	\$ 1,646,498	\$ 1,595,696
Capital assets	79,889	86,476
Investment	36,873,000	36,299,079
Total assets	<u>38,599,387</u>	<u>37,981,251</u>
Current liabilities	56,753	32,109
Deferred tax liabilities	5,638,911	5,644,211
Total liabilities	<u>5,695,664</u>	<u>5,676,320</u>
Net assets	<u>\$ 32,903,723</u>	<u>\$ 32,304,931</u>
Township of West Lincoln's interest – 24%	<u>\$ 7,896,894</u>	<u>\$ 7,753,184</u>
Change in equity investment in subsidiary		
Revenues	\$ 171,920	\$ 197,032
Expenses	(170,136)	(192,742)
Income from operating activities	1,784	4,290
Gain on investment – Niagara Peninsula Energy Inc.	828,921	565,626
Finance income – net	7,569	15,697
Income before income taxes	838,274	585,613
Future payment in lieu of income taxes	(2,081)	(2,594)
Net income and comprehensive income	836,193	583,019
Dividends	(237,400)	-
Net increase in equity of subsidiary	<u>\$ 598,793</u>	<u>\$ 583,019</u>
Change in equity of subsidiary – 24%	<u>\$ 143,710</u>	<u>\$ 139,925</u>

The financial position information is as reported by PWPI at December 31, 2021 and the results of operations are as reported for the year ended December 31, 2021. The comparative financial position and results of operations figures are as reported by PWPI at December 31, 2020.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

4. Investment in subsidiary (continued)

The below summarizes the Municipality's related party transactions with NPEI. All transactions are in the normal course of operations and are recorded at the exchange value based on normal commercial rates.

	2021	2020
Electricity purchased	\$ 246,825	\$ 252,051
Contracted services	5,798	7,519
	\$ 252,623	\$ 259,570

5. Deferred revenue

	2021	2020
Development Charges Act	\$ 4,215,049	\$ 4,309,542
Recreational land (Planning Act)	352,758	457,947
Canada Community - Building Fund revenue	1,375,635	706,502
Deferred property tax revenue	889,369	868,162
Other	120,893	120,892
	\$ 6,953,704	\$ 6,463,045

Deferred revenue is made up of the following:

	2021	2020
Balance, beginning of year	\$ 6,463,045	\$ 6,658,423
Contributions from		
Development Charges Act	522,440	1,197,669
Interest earned	51,707	61,185
Canada Community - Building Fund grants received	901,956	450,575
Deferred property tax revenue	889,369	868,162
Other	-	85,101
	2,365,472	2,662,692
Utilized for		
Operations	(879,995)	(1,013,122)
Tangible capital asset acquisitions	(994,818)	(1,844,948)
	(1,874,813)	(2,858,070)
Balance, end of year	\$ 6,953,704	\$ 6,463,045

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

6. Credit facility

The Municipality has available an authorized revolving line of credit of \$2,000,000 bearing interest at prime less 0.75% to assist with general operating requirements. The line of credit is unsecured and due on demand. As at year end, the line of credit has not been drawn upon (2020 - \$nil).

7. Long term debt

	<u>2021</u>	<u>2020</u>
The municipality has assumed responsibility for the payment of principal and interest charges on certain long term debt issued by the Region of Niagara. At year end, outstanding principal is:	\$ 18,071,487	\$ 17,833,766

The balance of long term debt reported on the consolidated statement of financial position is made up of the following:

By-Law Number	Purpose	Interest Rate	Maturity Date	<u>2021</u>	<u>2020</u>
2017-83	Recreation Centre	3.53%	2048	\$ 13,250,000	\$ 13,750,000
2017-83	Bridge 12	3.16%	2028	188,153	217,100
2019-101	Recreation Centre	2.80%	2049	3,733,334	3,866,666
2021-109	Elcho and Concession 5 Roads	2.63%	2036	900,000	-
				\$ 18,071,487	\$ 17,833,766

Principal repayments in each of the next five years and thereafter are due as follows:

2022	\$ 722,280
2023	722,280
2024	722,280
2025	722,280
2026	722,280
Thereafter	<u>14,460,087</u>
	\$ 18,071,487

The Municipality paid \$594,963 (2020 - \$618,942) interest on long term debt during the year.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

8. Liability for contaminated site

In 2002, a Consulting Geotechnical and Environmental Engineering firm was hired by the Township to complete an Environmental Site Assessment at 5490 Vaughn Road, the former public works yard owned by the Township of West Lincoln.

The assessment indicated that soil and groundwater quality exceedances of current Ministry of the Environment, Conservation and Parks industrial/commercial land use standards due to the long term effects of salt storage. The estimated remediation cost to employ a stratified depth clean-up approach would be in the range of \$150,000 to \$175,000.

A three-year average 2019-2021 Statistics Canada Construction Price index for the Toronto Census Metropolitan Area has been applied to \$175,000 to reflect the present value of this estimated remediation cost.

9. Employee benefit obligations

	2021	2020
Accrued vacation pay funded	\$ 386,921	\$ 312,126
Retirement benefits	575,000	578,200
	961,921	890,326
Less: Accrued vacation pay funded	386,921	312,126
Liabilities to be recovered in the future	\$ 575,000	\$ 578,200

Retirement benefits

	2021	2020
Accrued benefit obligation:		
Balance, beginning of year	\$ 574,100	\$ 569,600
Current benefit cost	40,700	39,600
Interest	16,400	16,300
Benefits paid	(59,800)	(51,400)
Balance, end of year	571,400	574,100
Unamortized actuarial gain	3,600	4,100
Accrued benefit liability, end of year	\$ 575,000	\$ 578,200

Included in expenses is \$500 (2020 - \$500) for amortization of the actuarial gain. The unamortized actuarial gain is amortized over the expected average remaining service life of 11 years.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

9. Employee benefit obligations (continued)

The Municipality provides employees with health and dental benefits between the time an employee retires under the OMERS retirement provisions to the age of sixty-five. The accrued benefit obligation was determined by actuarial valuation using a discount rate of 2.80% (2020 - 2.80%). Medical costs were assumed to increase in 2021 at 5.51%, decreasing by 0.076% per year until the rate of increase is 4.00%. Dental costs were assumed to increase 4.00% per year. In order to qualify for retirement benefits, CUPE employees must be employed by the Municipality for at least twenty-five years and be part of OMERS for at least twenty-five years, non-CUPE employees must be employed by the Municipality for at least fifteen years, and be part of OMERS for at least twenty years.

10. Accumulated surplus

	2021	2020
	(Restated - Note 27)	
Operating surplus	\$ 651,372	\$ 874,358
Investment in subsidiary	7,896,894	7,753,184
Unfunded:		
Liability for contaminated sites	(302,667)	(297,445)
Employee benefit obligations	(575,000)	(578,200)
Investment in tangible capital assets (net of long term debt)	74,738,343	74,676,031
Reserves and reserve funds (Note 11)	15,722,253	14,372,729
	\$ 98,131,195	\$ 96,800,657

11. Reserves and reserve funds

	2021	2020
Accessibility reserve	\$ -	\$ 29,491
Working funds	45,159	90,159
Contingencies	1,382,010	1,191,941
Technology	184,363	176,662
Hospital	1,326,367	1,250,000
Insurance	187,655	187,655
Rate stabilization	-	59,000
Election	117,231	83,076
Recreation	-	1,004
Library	290,045	262,515
Capital	1,740,959	1,648,527
Wind turbine community fund	945,023	943,508
Fire trucks and equipment	1,536,991	542,160

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

11. Reserves and reserve funds (continued)

	2021	2020
Road equipment	1,194,254	1,404,749
Industrial park	455,759	467,843
Bridges	435,090	236,308
Facilities	372,616	323,925
Sidewalks	177,102	151,582
Streetlights	64,752	64,752
Sewers	1,710,734	1,484,799
Water	985,673	994,939
Winter control	633,000	475,200
Cemeteries	38,595	18,823
West Lincoln Community Centre	169,927	21,943
Settlement road agreement	957,204	1,078,100
Planning	402,627	350,275
Building revenues	369,117	833,793
	\$ 15,722,253	\$ 14,372,729

12. Taxation

	Budget 2021	Actual 2021	Actual 2020
Real property	\$ 26,451,637	\$ 26,566,145	\$ 25,700,759
From other governments			
Payments in lieu of taxes	1,108,374	1,117,611	1,112,873
	<u>27,560,011</u>	<u>27,683,756</u>	<u>26,813,632</u>
Less: taxation collected on behalf of others (Note 13)	18,462,041	18,502,744	18,260,927
Net taxes available for municipal purposes	<u>\$ 9,097,970</u>	<u>\$ 9,181,012</u>	<u>\$ 8,552,705</u>
Residential and farm	\$ 7,475,080	\$ 7,335,116	\$ 6,796,866
Commercial	1,153,630	1,460,200	1,388,933
Industrial	469,260	385,696	366,906
Net taxes available for municipal purposes	<u>\$ 9,097,970</u>	<u>\$ 9,181,012</u>	<u>\$ 8,552,705</u>

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

13. Collections for the Region of Niagara and school boards

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

	2021	2020
Region of Niagara	\$ 14,271,013	\$ 13,848,947
School boards	4,231,731	4,411,980
	\$ 18,502,744	\$ 18,260,927

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

The Municipality collects development charges on behalf of the Region of Niagara and the Niagara Catholic District School Board. Development charges collected in excess of those paid to the Region of Niagara and the Niagara Catholic District School Board are recorded as accounts payable.

14. User charges

	Budget 2021	Actual 2021	Actual 2020
Operating			
Direct water and sewer billings	\$ 3,979,150	\$ 4,035,479	\$ 3,815,168
Licences and permits	446,160	400,847	427,845
Development charges	228,700	126,656	261,878
Recreation	391,140	190,669	208,335
Rents and concessions	54,210	56,265	49,698
Other	395,980	381,750	259,314
	5,495,340	5,191,666	5,022,238
Capital			
Development charges	605,300	335,995	698,584
	\$ 6,100,640	\$ 5,527,661	\$ 5,720,822

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

15. Government transfers

	Budget 2021	Actual 2021	Actual 2020
Operating			
Province of Ontario	\$ 1,509,750	\$ 1,427,700	\$ 1,280,133
Government of Canada	-	87,156	40,374
Municipal	-	70,631	136,617
	<u>1,509,750</u>	<u>1,585,487</u>	<u>1,457,124</u>
Capital			
Province of Ontario	272,700	273,152	492,629
Government of Canada	459,870	240,397	869,369
Municipal	-	-	217,252
	<u>732,570</u>	<u>513,549</u>	<u>1,579,250</u>
	<u>\$ 2,242,320</u>	<u>\$ 2,099,036</u>	<u>\$ 3,036,374</u>

16. Other revenue

	Budget 2021	Actual 2021	Actual 2020
Operating			
Penalties and interest on taxes	\$ 300,000	\$ 326,781	\$ 291,782
Other fines	27,820	29,981	21,594
Interest and dividend income	190,000	338,889	383,033
Interest income - reserves and reserve funds	-	7,911	12,322
Other	28,320	175,570	68,496
Community Fund	420,000	451,500	451,500
	<u>966,140</u>	<u>1,330,632</u>	<u>1,228,727</u>
Capital			
Developer contribution	-	-	48,299
Other	-	61,494	163,113
	<u>-</u>	<u>61,494</u>	<u>211,412</u>
	<u>\$ 966,140</u>	<u>\$ 1,392,126</u>	<u>\$ 1,440,139</u>

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

17. Pension agreements

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

Since OMERS is a multi-employer pension plan, the Municipality does not recognize any share of the pension plan deficit of \$3.13 billion (2020 - \$3.21 billion) based on the fair market value of the Plan's assets, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2021 calendar year at rates ranging from 9.0% to 15.8% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the consolidated statement of operations. Employer contributions to OMERS for 2021 current and past service was \$401,437 (2020 - \$380,812) and were matched by employee contributions in a similar amount.

18. Corporation of the Township of West Lincoln - Trust Funds

Trust funds administered by the Municipality amounting to \$261,013 (2020 - \$250,013) have not been included in the consolidated statement of financial position nor have these operations been included in the consolidated statement of operations.

19. Contingencies

The Municipality is involved from time to time in litigation, which arises in the normal course of business. In respect to 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 financial statements.

20. Commitments

(a) YMCA Obligation

In 2010, Council received and supported a request for a capital contribution of \$420,000 to the West Niagara YMCA over a five year period in equal instalments commencing on a date to be established by the Municipality. In 2015, as part of the budget process, a payment schedule over an eight year period was approved. At year end, the remaining amount under the payment schedule is \$52,500 (2020 - \$105,000).

(b) West Lincoln Memorial Hospital

The Township is committed to funding a portion of the local share amount of \$50 million towards the reconstruction of the West Lincoln Memorial Hospital located in Grimsby. The Township approved a plan to contribute \$4,524,850 towards this project. It is anticipated that the Township contribution of \$4,524,850 will be due and payable sometime in 2025. The Township introduced a new hospital levy in 2021 in order to provide funding towards this commitment. The approved plan includes the issuance of a debenture in 2025 in order to provide the required payment that will be due and payable. The funds from the annual hospital levy will be used to fund the principal and interest payments on the debenture.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

21. Measurement uncertainty

Property tax billings are prepared by the Municipality based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"), an agency of the Ontario government. All assessed property values in the Municipality were reviewed and new values established based on a common valuation date that was used by the Municipality in computing the property tax bills. However, the property tax revenue and tax receivables of the Municipality are subject to measurement uncertainty as a number of appeals submitted by taxpayers have yet to be heard. Any adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with the Region of Niagara and school boards, as appropriate.

22. Budget

The budget by-law adopted by Council on March 1, 2021 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, budget figures presented in the consolidated statements of operations and changes in net financial assets represent the Council approved budget and subsequent budget amendments, with the following adjustments.

	<u>2021</u>
Approved budgeted annual surplus	\$ -
Add:	
Acquisition of tangible capital assets	5,400,383
YMCA obligation	52,500
Debenture principal repayment	662,400
Transfer to reserve and reserve funds	2,987,200
Less:	
Transfer from reserve and reserve funds	(4,755,703)
Debenture proceeds	(990,000)
Amortization of tangible capital assets	<u>(3,449,674)</u>
Budgeted deficit reported on the consolidated statement of operations	<u>\$ (92,894)</u>

23. Segmented information

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

General government

General government is comprised of Municipal Council, administrative and clerks departments.

Protection to persons and property

Protection to persons and property is comprised of the fire and emergency management, building, by-law enforcement and animal control departments.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

23. Segmented information (continued)

Transportation services

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

Environmental services

The environmental services department consists of water, wastewater and solid waste disposal utilities. The department provides drinking water, collecting and treating wastewater, and providing collection disposal and waste minimization programs and facilities.

Health services

Health services department is responsible for cemetery operations.

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 and the consolidated schedules of segment disclosure with budget information follow the notes.

24. Financial instruments and risks

Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant risks. There have been no changes in the Municipality's risk exposures from the prior year.

Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet its obligations as they become due. The Municipality manages this risk by establishing budgets and funding plans to fund its expenses and debt payments.

Credit risk

The Municipality is exposed to credit risk through its cash and cash equivalents, accounts and other receivables and long-term receivables. There is a possibility of non-collection of its accounts and other receivables. The majority of the Municipality's receivables are from rate payers and government entities. The Municipality mitigates its exposure to credit loss by placing its cash and cash equivalents with major financial institutions.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

25. Impact of COVID-19 pandemic

In 2020, the COVID-19 outbreak was declared a pandemic and has had a significant financial, market and social dislocating impact. The ultimate duration and magnitude of the COVID-19 pandemic's impact on the Municipality's operations and financial position is not known at this time. These impacts could include a decline in future cash flows and changes to the value of assets and liabilities. In order to mitigate risk, the Municipality continues to actively monitor and assess the impact of the pandemic on its operating activities and services.

26. Comparative figures

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

27. Prior period adjustment

In accordance with Ontario Regulation 588/17, the Municipality continued its work in achieving asset management plan milestones throughout 2021. As a result of this work, information became available that demonstrated the Municipality had understated its consolidated tangible capital assets, specifically environmental and road infrastructure. The Municipality has restated the 2020 comparative figures to correctly reflect the tangible capital asset and associated account balances. The adjustment performed to the 2020 comparative figures is as follows:

	Previously reported	Adjustment	Restated
Consolidated Statement of Financial Position			
Tangible capital assets	\$ 91,817,649	\$ 692,148	\$ 92,509,797
Accumulated surplus	96,108,509	692,148	96,800,657
Consolidated Statement of Operations			
Contributed tangible capital assets	1,256,793	6,032	1,262,825
Transportation services (amortization)	1,344,554	7,467	1,352,021
Environmental services (amortization)	752,588	12,783	765,371
Annual surplus	3,571,847	(14,218)	3,557,629
Accumulated surplus, beginning of year	92,536,662	706,366	93,243,028
Accumulated surplus, end of year	96,108,509	692,148	96,800,657
Consolidated Statement of Changes in Net Financial Assets			
Annual surplus	3,571,847	(14,218)	3,557,629
Amortization of tangible capital assets	3,195,586	20,250	3,215,836
Acquisition of tangible capital assets	(8,040,194)	(6,032)	(8,046,226)
Consolidated Statement of Cash Flows			
Annual surplus	\$ 3,571,847	\$ (14,218)	\$ 3,557,629
Amortization of tangible capital assets	3,195,586	20,250	3,215,836
Acquisition of tangible capital assets	\$ (8,040,194)	\$ (6,032)	\$ (8,046,226)

The Corporation of the Township of West Lincoln

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2021

								2021
	Land	Land Improvements	Facilities	Rolling Stock	Equipment	Infrastructure	Construction in Progress	Total
Cost								
Beginning of year (restated)	\$ 4,112,267	\$ 5,440,009	\$ 25,199,456	\$ 6,497,302	\$ 4,273,369	\$ 87,212,075	\$ 203,813	\$ 132,938,291
Add: additions	-	81,388	510,063	781,128	386,454	2,130,539	700,232	4,589,804
Less: disposals	-	(90,936)	(9,753)	(581,735)	(174,737)	(455,291)	(704,060)	(2,016,512)
End of year	4,112,267	5,430,461	25,699,766	6,696,695	4,485,086	88,887,323	199,985	135,511,583
Accumulated amortization								
Beginning of year (restated)	-	1,898,818	2,761,204	3,164,013	1,288,335	31,316,124	-	40,428,494
Add: amortization	-	166,052	583,099	378,916	335,996	1,985,611	-	3,449,674
Less: amortization on disposals	-	(73,586)	(6,989)	(561,500)	(168,056)	(366,285)	-	(1,176,416)
End of year	-	1,991,284	3,337,314	2,981,429	1,456,275	32,935,450	-	42,701,752
Net book value	\$ 4,112,267	\$ 3,439,177	\$ 22,362,452	\$ 3,715,266	\$ 3,028,811	\$ 55,951,873	\$ 199,985	\$ 92,809,831

The Corporation of the Township of West Lincoln

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2021

2020
(Restated - Note 27)

	Land	Land Improvements	Facilities	Rolling Stock	Equipment	Infrastructure	Construction in Progress	Total
Cost								
Beginning of year	\$ 4,112,267	\$ 5,293,447	\$ 25,106,774	\$ 5,540,864	\$ 4,220,841	\$ 82,770,142	\$ 178,640	\$ 127,222,975
Add: additions	-	146,562	92,682	956,438	214,616	4,932,895	1,703,033	8,046,226
Less: disposals	-	-	-	-	(162,088)	(490,962)	(1,677,860)	(2,330,910)
End of year	<u>4,112,267</u>	<u>5,440,009</u>	<u>25,199,456</u>	<u>6,497,302</u>	<u>4,273,369</u>	<u>87,212,075</u>	<u>203,813</u>	<u>132,938,291</u>
Accumulated amortization								
Beginning of year	-	1,718,944	2,180,277	2,866,141	1,120,864	29,797,149	-	37,683,375
Add: amortization	-	179,874	580,927	297,872	329,559	1,827,604	-	3,215,836
Less: amortization on disposals	-	-	-	-	(162,088)	(308,629)	-	(470,717)
End of year	<u>-</u>	<u>1,898,818</u>	<u>2,761,204</u>	<u>3,164,013</u>	<u>1,288,335</u>	<u>31,316,124</u>	<u>-</u>	<u>40,428,494</u>
Net book value	<u>\$ 4,112,267</u>	<u>\$ 3,541,191</u>	<u>\$ 22,438,252</u>	<u>\$ 3,333,289</u>	<u>\$ 2,985,034</u>	<u>\$ 55,895,951</u>	<u>\$ 203,813</u>	<u>\$ 92,509,797</u>

The Corporation of the Township of West Lincoln

Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2021

								2021
	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Consolidated
Revenues								
Taxation	\$ 1,679,798	\$ 1,366,472	\$ 2,737,452	\$ 90,586	\$ 105,464	\$ 2,454,119	\$ 747,121	\$ 9,181,012
User charges	181,812	439,940	175,256	4,038,049	21,124	362,614	308,866	5,527,661
Government transfers	1,137,929	10,126	626,485	41,568	-	247,511	35,417	2,099,036
Other	1,146,936	20,946	960	18,935	1,789	189,418	13,142	1,392,126
Contributed tangible capital assets	-	-	-	-	1,981	15,000	-	16,981
Loss on disposal of tangible capital assets	(2,765)	12,116	48,663	(89,008)	-	(7,190)	-	(38,184)
Change in equity of subsidiary	143,710	-	-	-	-	-	-	143,710
	4,287,420	1,849,600	3,588,816	4,100,130	130,358	3,261,472	1,104,546	18,322,342
Expenses								
Salaries and benefits	1,751,894	864,489	1,624,200	422,495	20,641	1,429,253	449,822	6,562,794
Interest on long term debt	-	-	6,871	-	-	581,534	-	588,405
Operating materials and supplies	247,175	166,546	833,888	907,400	1,546	484,784	23,036	2,664,375
Contracted services	383,046	338,199	823,729	1,570,359	80,388	175,868	174,929	3,546,518
Rent and financial expenses	11,559	460	1,877	-	-	13,984	-	27,880
External transfers to others	19,300	560	-	-	10,300	4,750	-	34,910
Tax write-offs	115,762	-	1,486	-	-	-	-	117,248
Interfunctional adjustments	(527,200)	177,400	(338,620)	595,660	-	82,760	10,000	-
Amortization of tangible capital assets	238,059	266,639	1,480,446	811,777	1,044	651,317	392	3,449,674
	2,239,595	1,814,293	4,433,877	4,307,691	113,919	3,424,250	658,179	16,991,804
Annual surplus (deficit)	\$ 2,047,825	\$ 35,307	\$ (845,061)	\$ (207,561)	\$ 16,439	\$ (162,778)	\$ 446,367	\$ 1,330,538

The Corporation of the Township of West Lincoln

Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2021

	2020							
	(Restated - Note 27)							
	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Consolidated
Revenues								
Taxation	\$ 1,728,115	\$ 1,251,349	\$ 2,562,193	\$ 88,975	\$ 87,280	\$ 2,284,151	\$ 550,642	\$ 8,552,705
User charges	306,106	586,518	413,875	3,882,758	18,612	307,410	205,543	5,720,822
Government transfers	1,131,110	1,150	1,579,250	203,287	-	84,557	37,020	3,036,374
Other	1,157,159	14,702	55,489	16,069	619	160,603	35,498	1,440,139
Contributed tangible capital assets	-	-	413,340	830,004	-	19,481	-	1,262,825
Loss on disposal of tangible capital assets	-	-	(182,333)	-	-	-	-	(182,333)
Change in equity of subsidiary	139,925	-	-	-	-	-	-	139,925
	4,462,415	1,853,719	4,841,814	5,021,093	106,511	2,856,202	828,703	19,970,457
Expenses								
Salaries and benefits	1,628,974	714,074	1,627,273	367,636	-	1,233,619	509,051	6,080,627
Interest on long term debt	111,371	-	7,222	-	-	493,207	-	611,800
Operating materials and supplies	270,932	146,720	774,847	983,021	3,360	389,104	12,493	2,580,477
Contracted services	380,423	354,197	682,316	1,785,093	83,549	207,676	229,184	3,722,438
Rent and financial expenses	36,467	-	2,069	-	-	17,138	-	55,674
External transfers to others	18,750	1,120	-	-	10,300	12,570	-	42,740
Tax write-offs	102,156	-	1,080	-	-	-	-	103,236
Interfunctional adjustments	(495,600)	165,300	(329,000)	570,200	-	79,600	9,500	-
Amortization of tangible capital assets	234,542	204,511	1,352,021	765,371	721	658,279	391	3,215,836
	2,288,015	1,585,922	4,117,828	4,471,321	97,930	3,091,193	760,619	16,412,828
Annual surplus (deficit)	\$ 2,174,400	\$ 267,797	\$ 723,986	\$ 549,772	\$ 8,581	\$ (234,991)	\$ 68,084	\$ 3,557,629

To the Members of Council, Inhabitants and Taxpayers of The Corporation of the Township of West Lincoln:

Opinion

We have audited the financial statements of the Trust Funds of The Corporation of the Township of West Lincoln (the "Municipality"), which comprise the statement of financial position as at December 31, 2021, and the statement of operations and accumulated surplus for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2021, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Burlington, Ontario

July 18, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

The Corporation of the Township of West Lincoln

Trust Funds

Statement of Financial Position

As at December 31, 2021

	Bismark United Church Cemetery	Bethel Cemetery	Cemetery Perpetual Care	Marker Perpetual Care	St Ann's Cemetery	Waite Cemetery	Union Cemetery	Union Cemetery Monument	Union Cemetery Care & Maintenance	Caistor Baptist Cemetery	2021 Total	2020 Total
Financial assets												
Due from Corporation of the Township of West Lincoln	\$ 48,339	\$ 16,898	\$ 92,135	\$ 21,064	\$ 5,993	\$ 6,848	\$ 35,444	\$ 7,474	\$ 18,128	\$ 8,690	\$ 261,013	\$ 250,013
Net financial assets and accumulated surplus	\$ 48,339	\$ 16,898	\$ 92,135	\$ 21,064	\$ 5,993	\$ 6,848	\$ 35,444	\$ 7,474	\$ 18,128	\$ 8,690	\$ 261,013	\$ 250,013

Statement of Operations and Accumulated Surplus

For the Year Ended December 31, 2021

Revenue												
Perpetual care agreements	\$ -	\$ -	\$ 9,600	\$ 1,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,000	\$ 7,800
Interest earned	338	118	611	143	42	48	248	52	127	61	1,788	2,726
	338	118	10,211	1,543	42	48	248	52	127	61	12,788	10,526
Expenses												
Interest earned distributed to cemetery reserve	338	118	611	143	42	48	248	52	127	61	1,788	-
Annual surplus	-	-	9,600	1,400	-	-	-	-	-	-	11,000	10,526
Accumulated Surplus												
Beginning of year	48,339	16,898	82,535	19,664	5,993	6,848	35,444	7,474	18,128	8,690	250,013	239,487
End of year	\$ 48,339	\$ 16,898	\$ 92,135	\$ 21,064	\$ 5,993	\$ 6,848	\$ 35,444	\$ 7,474	\$ 18,128	\$ 8,690	\$ 261,013	\$ 250,013

See accompanying notes to the financial statements

The Corporation of the Township of West Lincoln

Trust Funds

Notes to the Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies

The financial statements of the Trust Funds of the Corporation of the Town of West Lincoln are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards. 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 and actual results could differ from those judgements. Significant accounting policies adopted by the Trust Funds are as follows:

(a) Basis of accounting

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

2. Due from Corporation of the Township of West Lincoln

The amounts due from the Corporation of the Township of West Lincoln are unsecured, interest bearing, with no specific terms of repayment.

3. Statement of cash flows

A statement of cash flows has not been provided as the related information is readily determinable from the financial statements as presented.