

Financial Report

Township of West Lincoln

2015

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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 West Lincoln

We have audited the accompanying consolidated financial statements of the Corporation of the Township of West Lincoln, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Township of West Lincoln as at December 31, 2015, and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Port Colborne, Canada
July 18, 2016

Chartered Professional Accountants
Licensed Public Accountants

Township of West Lincoln

Consolidated Statement of Financial Position

As at December 31

2015

2014

Financial assets

Cash and cash equivalents (Note 2)	\$ 9,805,683	\$ 8,432,821
Portfolio investments (Note 3)	5,747,818	5,608,356
Taxes receivable	2,872,322	3,035,481
User charges receivable	513,810	551,771
Accounts receivable	392,102	682,099
Long term receivables	149,269	258,076
Investment in subsidiary (Note 4)	<u>7,415,949</u>	<u>7,252,467</u>
	<u>26,896,953</u>	<u>25,821,071</u>

Liabilities

Accounts payable and accrued liabilities	3,903,018	3,121,717
Other liabilities	1,466,739	1,443,204
Due to trust funds	158,081	153,874
Deferred revenue (Note 5)	4,340,028	3,597,867
YMCA obligation (Note 6)	367,500	420,000
Liability for contaminated sites (Note 7)	262,850	257,600
Employee benefit obligations (Note 8)	<u>832,126</u>	<u>716,927</u>
	<u>11,330,342</u>	<u>9,711,189</u>

Net financial assets

	<u>15,566,611</u>	<u>16,109,882</u>
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Non-financial assets

Tangible capital assets (Pages 23 and 24)	54,625,488	53,906,460
Prepaid expenses	<u>4,194</u>	<u>1,474</u>
	<u>54,629,682</u>	<u>53,907,934</u>

Accumulated surplus (Note 9)

	<u>\$ 70,196,293</u>	<u>\$ 70,017,816</u>
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Contingencies and commitment (Notes 18 and 19)

Approved by

Chief Administrative Officer

Treasurer

See accompanying notes and schedules to the consolidated financial statements

Township of West Lincoln

Consolidated Statement of Operations

For the Year Ended December 31, 2015

	Budget 2015 (Note 21)	Actual 2015	Actual 2014
Revenue			
Taxation (Note 11)	\$ 5,716,550	\$ 5,780,508	\$ 5,354,408
User charges (Note 13)	3,498,270	4,199,715	3,488,998
Government transfers (Note 14)	797,100	849,917	829,800
Other (Note 15)	662,500	781,931	794,865
	<u>10,674,420</u>	<u>11,612,071</u>	<u>10,468,071</u>
Expenses			
General government	1,732,550	1,698,881	2,383,893
Protection to persons and property	1,270,048	1,278,674	1,244,494
Transportation services	3,677,350	3,633,725	3,912,476
Environmental services	3,291,239	3,158,972	3,063,767
Health services	58,413	66,937	58,658
Recreation and culture services	1,619,823	1,538,121	1,478,804
Planning and development	772,980	699,912	567,145
	<u>12,422,403</u>	<u>12,075,222</u>	<u>12,709,237</u>
Net expenses	<u>(1,747,983)</u>	<u>(463,151)</u>	<u>(2,241,166)</u>
Other			
Revenue related to tangible capital assets			
User charges (Note 13)	136,700	151,883	78,721
Government transfers (Note 14)	591,161	407,674	839,589
Other (Note 15)	-	4,934	513
Contributed tangible capital assets	-	187,629	477,167
Loss on disposal of tangible capital assets	-	(273,974)	(171,031)
Change in equity of subsidiary (Note 4)	-	163,482	76,847
	<u>727,861</u>	<u>641,628</u>	<u>1,301,806</u>
Annual surplus (deficit)	(1,020,122)	178,477	(939,360)
Accumulated surplus (Note 9)			
Beginning of year	<u>70,017,816</u>	<u>70,017,816</u>	<u>70,957,176</u>
End of year	<u>\$ 68,997,694</u>	<u>\$ 70,196,293</u>	<u>\$ 70,017,816</u>

See accompanying notes and schedules to the consolidated financial statements

Township of West Lincoln

Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2015

	Budget <u>2015</u> (Note 21)	Actual <u>2015</u>	Actual <u>2014</u>
Annual surplus (deficit)	\$ (1,020,122)	\$ 178,477	\$ (939,360)
Amortization of tangible capital assets	2,116,242	2,116,242	2,168,647
Acquisition of tangible capital assets	(3,067,202)	(3,138,021)	(3,235,768)
Capitalization of prior year construction in process	-	997	86,618
Loss on sale of tangible capital assets	-	273,974	171,031
Proceeds from sale of tangible capital assets	<u>-</u>	<u>27,780</u>	<u>153,156</u>
	(1,971,082)	(540,551)	(1,595,676)
Usage of prepaid expenses	<u>-</u>	<u>(2,720)</u>	<u>1,285</u>
Decrease in net financial assets	(1,971,082)	(543,271)	(1,594,391)
Net financial assets			
Beginning of year	<u>16,109,882</u>	<u>16,109,882</u>	<u>17,704,273</u>
End of year	<u>\$ 14,138,800</u>	<u>\$ 15,566,611</u>	<u>\$ 16,109,882</u>

See accompanying notes and schedules to the consolidated financial statements

Township of West Lincoln

Consolidated Statement of Cash Flows

For the Year Ended December 31

2015

2014

Increase (decrease) in cash and cash equivalents

Operating activities		
Annual surplus (deficit)	\$ 178,477	\$ (939,360)
Non-cash items		
Amortization	2,116,242	2,168,647
Loss on sale of tangible capital assets	273,974	171,031
Decrease (increase) in taxes receivable	163,159	(481,966)
Decrease (increase) in user charges receivable	37,961	(50,804)
Decrease (increase) in accounts receivable	289,997	(242,999)
Increase in accounts payable and accrued liabilities	781,301	1,357,453
Increase in other liabilities	23,535	360,932
Increase in due to trust funds	4,207	5,718
Increase in deferred revenue	742,161	93,744
(Decrease) increase in YMCA obligation	(52,500)	420,000
Increase in liability for contaminated sites	5,250	257,600
Increase in employee benefit obligations	115,199	125,595
(Increase) decrease in prepaid expenses	<u>(2,720)</u>	<u>1,285</u>
	<u>4,676,243</u>	<u>3,246,876</u>
Capital activities		
Proceeds from sale of tangible capital assets	27,780	153,156
Capitalization of prior year construction in progress	997	86,618
Acquisition of tangible capital assets	<u>(3,138,021)</u>	<u>(3,235,768)</u>
	<u>(3,109,244)</u>	<u>(2,995,994)</u>
Investing activities		
Increase in portfolio investments	(139,462)	(1,092,377)
Increase in investment in subsidiary	(163,482)	(76,847)
Decrease (increase) in long term receivables	<u>108,807</u>	<u>(24,774)</u>
	<u>(194,137)</u>	<u>(1,193,998)</u>
Net increase (decrease) in cash and cash equivalents	1,372,862	(943,116)
Cash and cash equivalents		
Beginning of year	<u>8,432,821</u>	<u>9,375,937</u>
End of year	<u>\$ 9,805,683</u>	<u>\$ 8,432,821</u>

See accompanying notes and schedules to the consolidated financial statements

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

1. Significant accounting policies

The consolidated financial statements of the Township of West Lincoln ("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 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 17).

(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.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

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 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.

(f) 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.

(g) Employee future benefits

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

(h) Tangible capital assets

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

The Municipality does not capitalize interest as part of the costs of its capital assets.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

1. Significant accounting policies (continued)

(h) Tangible capital assets (continued)

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

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

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

<u>Classification</u>	<u>Useful Life</u>
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.

(i) Subdivision infrastructure

Subdivision streets, 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.

(j) Reserves for future expenses

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

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

1. Significant accounting policies (continued)

(k) Revenue recognition

i) Taxation

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

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

ii) User charges

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

iii) Government transfers

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

iv) Other

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

v) Investment income

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

(l) 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.

(m) 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.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

1. Significant accounting policies (continued)

(n) Use of estimates and measurement uncertainty

The preparation of 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.

2. Cash and cash equivalents 2015 2014

Cash and temporary investments are comprised of:

Cash on hand	\$ 1,835	\$ 646
Cash held in banks	9,803,848	8,432,168
Cash held in investment accounts	<u>-</u>	<u>7</u>
	<u>\$ 9,805,683</u>	<u>\$ 8,432,821</u>

3. Portfolio investments 2015 2014

Guaranteed investment certificates	\$ 2,328,206	\$ 2,759,147
Debentures and bonds	<u>3,419,612</u>	<u>2,849,209</u>
	<u>\$ 5,747,818</u>	<u>\$ 5,608,356</u>

Portfolio investments carry an effective interest rate ranging from 0.98% to 5.18% and maturity dates ranging from February, 2015 to December, 2042. Interest is receivable on an annual basis. Portfolio investments reported on the consolidated statement of financial position have a market value of \$ 5,947,531 (2014 - \$ 5,868,696).

4. Subsidiary operations

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., which provides electric distribution services. The Corporation of the Township of West Lincoln has a 24% interest in PWPI.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

4. Subsidiary operations (continued)

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

	<u>2015</u>	<u>2014</u>
Financial position		
Current assets	\$ 1,290,164	\$ 1,205,555
Capital assets	101,953	103,528
Investment	<u>34,689,814</u>	<u>33,922,308</u>
Total assets	<u>36,081,931</u>	<u>35,231,391</u>
Current liabilities	59,061	62,349
Deferred tax liabilities	<u>5,123,083</u>	<u>4,950,428</u>
Total liabilities	<u>5,182,144</u>	<u>5,012,777</u>
Net assets	<u>\$ 30,899,787</u>	<u>\$ 30,218,614</u>
Township of West Lincoln's interest – 24%	<u>\$ 7,415,949</u>	<u>\$ 7,252,467</u>
Change in equity investment in subsidiary		
Revenues	\$ 240,498	\$ 238,890
Expenses	(204,371)	(193,240)
Future payment in lieu of income taxes	<u>(184,947)</u>	<u>(74,402)</u>
Loss from operations	(148,820)	(28,752)
Other items	<u>1,083,820</u>	<u>598,503</u>
Net income and comprehensive income	935,000	569,751
Dividends	<u>(248,417)</u>	<u>(249,552)</u>
Net increase in equity of subsidiary	<u>\$ 686,583</u>	<u>\$ 320,199</u>
Change in equity of subsidiary – 24%	\$ 164,780	\$ 76,847
Less effect of IFRS adoption	<u>(1,298)</u>	-
Change in equity	<u>\$ 163,482</u>	<u>\$ 76,847</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

4. Subsidiary operations (continued)

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

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

	<u>2015</u>	<u>2014</u>
Electricity purchased	\$ 249,484	\$ 211,153
Contracted services	16,511	13,298

5. Deferred revenue

	<u>2015</u>	<u>2014</u>
Development Charges Act	\$ 3,890,047	\$ 3,169,753
Recreational land (Planning Act)	236,503	258,275
Gas tax revenue	197,127	167,612
Grants	<u>16,351</u>	<u>2,227</u>
	<u>\$ 4,340,028</u>	<u>\$ 3,597,867</u>

The deferred revenue is made up of the following:

Balance, beginning of year	<u>\$ 3,597,867</u>	<u>\$ 3,504,123</u>
Contributions from		
Development Charges Act	856,766	538,679
Interest earned	32,593	41,316
Federal gas tax grants received	400,656	411,447
Other	<u>19,040</u>	<u>-</u>
	<u>1,309,055</u>	<u>991,442</u>
Utilized for		
Operations	(72,317)	(72,042)
Tangible capital asset acquisitions	<u>(494,577)</u>	<u>(825,656)</u>
	<u>(566,894)</u>	<u>(897,698)</u>
Balance, end of year	<u>\$ 4,340,028</u>	<u>\$ 3,597,867</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

6. 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, the following payment schedule was approved, over an eight year period, with the first contribution to be distributed before August, 2015.

2016	\$ 52,500
2017	52,500
2018	52,500
2019	52,500
2020	52,500
2021	52,500
2022	<u>52,500</u>
	<u>\$ 367,500</u>

7. Liability for contaminated sites

The Municipality reports environmental liabilities related to the management and remediation of contaminated sites where the Municipality is obligated or likely obligated to incur such costs. A contaminated sites liability of \$ 262,850 has been recorded based on environmental assessments or estimated for those sites where an assessment has not been conducted.

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

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

8. Employee benefit obligations	<u>2015</u>	<u>2014</u>
Accrued vacation pay	\$ 193,746	\$ 189,146
Retirement benefits	<u>638,380</u>	<u>527,781</u>
	832,126	716,927
Less: accrued vacation pay funded	<u>193,746</u>	<u>189,146</u>
Liabilities to be recovered in the future	<u>\$ 638,380</u>	<u>\$ 527,781</u>

Retirement benefits

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 estimated liability at December 31, 2015 is \$ 638,380 (2014 - \$ 527,781). This liability is reported on the consolidated statement of financial position and the unfunded liability is reported as liabilities to be recovered in the future. The liability was determined using a discount rate of 5.5%. Medical costs were assumed to increase at a rate of 10% per year and dental costs were assumed to increase at 5% 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 a 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 a part of OMERS for at least twenty years.

9. Accumulated surplus	<u>2015</u>	<u>2014</u>
Operating surplus (deficit)	\$ 381,901	\$ (32,087)
Investment in tangible capital assets	54,625,488	53,906,460
Investment in subsidiary	7,415,949	7,252,467
Unfunded:		
Employee benefit obligations	(638,380)	(527,781)
Liability for contaminated sites	(262,850)	(257,600)
Reserves and reserve funds (Note 10)	<u>8,674,185</u>	<u>9,676,357</u>
	<u>\$ 70,196,293</u>	<u>\$ 70,017,816</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

10. Reserves and reserve funds	<u>2015</u>	<u>2014</u>
Reserves set aside for specific purposes by Council		
Corporate and administrative services		
Accessibility	\$ 34,764	\$ 34,764
Working funds	315,159	363,159
Contingencies	588,521	1,122,034
Technology	187,795	230,855
Hospital	1,250,000	1,250,000
Insurance	187,655	137,655
Rate stabilization	59,000	59,000
Election	14,021	6,106
Recreation	11,598	11,598
Capital	<u>875,532</u>	<u>1,125,221</u>
	<u>3,524,045</u>	<u>4,340,392</u>
Public works and engineering		
Fire trucks and equipment	186,352	277,381
Road equipment	826,499	601,377
Industrial park	456,498	1,173,704
Bridges	70,986	68,468
Sidewalks	97,867	147,344
Facilities	94,674	214,822
Streetlights	31,903	19,186
Sewers	666,045	677,543
Water	411,731	614,874
Winter control	160,500	105,500
Cemeteries	<u>23,575</u>	<u>26,614</u>
	<u>3,026,630</u>	<u>3,926,813</u>
Planning and development		
Planning	185,394	171,524
Building revenues	962,759	373,415
Arena building	123,188	114,855
Library	<u>847,446</u>	<u>744,672</u>
	<u>2,118,787</u>	<u>1,404,466</u>
	8,669,462	9,671,671
Reserve funds set aside for specific purposes by Council		
Subdivision	<u>4,723</u>	<u>4,686</u>
	<u>\$ 8,674,185</u>	<u>\$ 9,676,357</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

11. Taxation	Budget 2015	Actual <u>2015</u>	Actual <u>2014</u>
Real property	\$ 19,048,111	\$ 19,400,231	\$ 18,557,749
From other governments			
Payments in lieu of taxes	<u>1,072,384</u>	<u>1,083,128</u>	<u>1,081,429</u>
	<u>20,120,495</u>	<u>20,483,359</u>	<u>19,639,178</u>
Less: taxation collected on behalf of (Note 12)			
Region of Niagara	10,488,599	10,704,977	10,338,882
School boards	<u>3,915,346</u>	<u>3,997,874</u>	<u>3,945,888</u>
	<u>14,403,945</u>	<u>14,702,851</u>	<u>14,284,770</u>
Net taxes available for municipal purposes	<u>\$ 5,716,550</u>	<u>\$ 5,780,508</u>	<u>\$ 5,354,408</u>
Residential and farm	\$ 4,634,722	\$ 4,675,564	\$ 4,317,364
Commercial	873,088	896,206	837,458
Industrial	<u>208,740</u>	<u>208,738</u>	<u>199,586</u>
Net taxes available for municipal purposes	<u>\$ 5,716,550</u>	<u>\$ 5,780,508</u>	<u>\$ 5,354,408</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

12. 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:

	<u>2015</u>	<u>2014</u>
Region of Niagara	\$ 10,704,977	\$ 10,338,882
School boards	<u>3,997,874</u>	<u>3,945,888</u>
	<u>\$ 14,702,851</u>	<u>\$ 14,284,770</u>

The Municipality is required to levy and collect taxes on behalf of the Region of Niagara and the school boards. These taxes are recorded as revenue at the amounts levied. The taxes levied 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 Public Catholic School Board. Development charges collected in excess of those paid to the Region and the Public Catholic School Board are recorded as accounts payable.

13. User charges	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Operating			
Direct water and sewer billings	\$ 2,503,800	\$ 2,594,705	\$ 2,465,154
Licences and permits	260,200	881,956	352,107
Lot levies and development charges	127,370	37,527	62,042
Recreation	279,500	277,291	284,798
Rents and concessions	61,900	61,080	62,061
Other	<u>265,500</u>	<u>347,156</u>	<u>262,836</u>
	<u>3,498,270</u>	<u>4,199,715</u>	<u>3,488,998</u>
Capital			
Lot levies and development charges	<u>136,700</u>	<u>151,883</u>	<u>78,721</u>
	<u>\$ 3,634,970</u>	<u>\$ 4,351,598</u>	<u>\$ 3,567,719</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

14. Government transfers	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Operating			
Province of Ontario	\$ 779,200	\$ 781,360	\$ 770,946
Government of Canada	-	33,883	19,181
Municipal	<u>17,900</u>	<u>34,674</u>	<u>39,673</u>
	<u>797,100</u>	<u>849,917</u>	<u>829,800</u>
Capital			
Province of Ontario	140,561	64,226	-
Government of Canada	400,600	340,005	738,909
Municipal	<u>50,000</u>	<u>3,443</u>	<u>100,680</u>
	<u>591,161</u>	<u>407,674</u>	<u>839,589</u>
	<u>\$ 1,388,261</u>	<u>\$ 1,257,591</u>	<u>\$ 1,669,389</u>

15. Other revenue	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Operating			
Penalties and interest on taxes	\$ 430,100	\$ 454,534	\$ 432,360
Other fines	33,500	33,401	43,054
Interest and dividend income	170,000	252,478	275,236
Interest income – reserves and reserve funds	-	6,125	8,010
Other	<u>28,900</u>	<u>35,393</u>	<u>36,205</u>
	662,500	781,931	794,865
Capital			
Other	<u>-</u>	<u>4,934</u>	<u>513</u>
	<u>\$ 662,500</u>	<u>\$ 786,865</u>	<u>\$ 795,378</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

16. Pension agreements

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

Since OMERS is a multi-employer pension plan, the Municipality does not recognize any share of the pension plan deficit of \$ 5.3 billion (2014 - \$ 5.3 billion) based on the fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2015 calendar year at rates ranging from 9.2% to 15.8% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the consolidated statement of operations. Employer contributions to OMERS for 2015 current and past service was \$ 310,840 (2014 - \$ 292,926) and were matched by employee contributions in a similar amount.

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

Trust funds administered by the Municipality amounting to \$ 158,081 (2014 - \$ 153,874) have not been included in the consolidated statement of financial position nor have these operations been included in the consolidated statement of operations.

18. 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.

19. Commitment

In 2002, Council entered into a five year agreement to provide funds in the amount of \$ 1,250,000 to the West Lincoln Memorial Hospital Foundation for construction of a new hospital. A reserve has been established, and any funds accumulated will be released after construction has commenced.

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

20. 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.

21. Budget

The budget by-law adopted by Council on March 30, 2015 was not prepared on a basis consistent with that used to report actual results in accordance with Canadian public sector accounting standards. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. As a result, the budget figures presented in the consolidated statements of operations and changes in net financial assets represent the budget approved by Council with the following adjustments:

Approved budgeted annual surplus (deficit)	\$ (217,000)
Add: Acquisition of tangible capital assets	3,067,202
Transfers to/from reserves and reserve funds - net	(1,806,582)
YMCA obligation payment	52,500
Less: Amortization of tangible capital assets	<u>(2,116,242)</u>
Budgeted deficit reported on the consolidated statement of operations	<u>\$ (1,020,122)</u>

Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2015

22. 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, building, by-law enforcement and animal control departments.

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.

Township of West Lincoln

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2015

	<u>Land</u>	<u>Land Improvements</u>	<u>Facilities</u>	<u>Rolling Stock</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Process</u>	<u>2015</u>
Cost								
Beginning of year	\$ 4,091,918	\$ 2,520,228	\$ 5,577,416	\$ 4,585,102	\$ 2,094,555	\$ 66,529,163	\$ 54,770	\$ 85,453,152
Add additions	-	167,846	97,208	151,778	201,238	2,184,417	335,534	3,138,021
Less disposals	<u>(63,901)</u>	<u>-</u>	<u>(37,484)</u>	<u>(144,485)</u>	<u>(162,956)</u>	<u>(849,536)</u>	<u>(54,771)</u>	<u>(1,313,133)</u>
End of year	<u>4,028,017</u>	<u>2,688,074</u>	<u>5,637,140</u>	<u>4,592,395</u>	<u>2,132,837</u>	<u>67,864,044</u>	<u>335,533</u>	<u>87,278,040</u>
Accumulated amortization								
Beginning of year	-	1,550,076	2,182,590	2,692,276	1,028,920	24,092,830	-	31,546,692
Add amortization	-	69,923	107,520	273,773	197,480	1,467,546	-	2,116,242
Less amortization on disposals	<u>-</u>	<u>-</u>	<u>(37,484)</u>	<u>(143,773)</u>	<u>(162,956)</u>	<u>(666,169)</u>	<u>-</u>	<u>(1,010,382)</u>
End of year	<u>-</u>	<u>1,619,999</u>	<u>2,252,626</u>	<u>2,822,276</u>	<u>1,063,444</u>	<u>24,894,207</u>	<u>-</u>	<u>32,652,552</u>
Net book value	<u>\$ 4,028,017</u>	<u>\$ 1,068,075</u>	<u>\$ 3,384,514</u>	<u>\$ 1,770,119</u>	<u>\$ 1,069,393</u>	<u>\$ 42,969,837</u>	<u>\$ 335,533</u>	<u>\$ 54,625,488</u>

Township of West Lincoln

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2014

	<u>Land</u>	<u>Land Improvements</u>	<u>Facilities</u>	<u>Rolling Stock</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Process</u>	<u>2014</u>
Cost								
Beginning of year	\$ 3,983,115	\$ 2,236,400	\$ 5,558,637	\$ 4,517,816	\$ 2,288,649	\$ 64,438,217	\$ 137,090	\$ 83,159,924
Add additions	142,450	293,163	18,779	112,081	88,265	2,576,732	4,298	3,235,768
Less disposals	<u>(33,647)</u>	<u>(9,335)</u>	<u>-</u>	<u>(44,795)</u>	<u>(282,359)</u>	<u>(485,786)</u>	<u>(86,618)</u>	<u>(942,540)</u>
End of year	<u>4,091,918</u>	<u>2,520,228</u>	<u>5,577,416</u>	<u>4,585,102</u>	<u>2,094,555</u>	<u>66,529,163</u>	<u>54,770</u>	<u>85,453,152</u>
Accumulated amortization								
Beginning of year	-	1,503,234	2,074,613	2,447,770	1,091,446	22,792,717	-	29,909,780
Add amortization	-	56,177	107,977	289,301	219,833	1,495,359	-	2,168,647
Less amortization on disposals	<u>-</u>	<u>(9,335)</u>	<u>-</u>	<u>(44,795)</u>	<u>(282,359)</u>	<u>(195,246)</u>	<u>-</u>	<u>(531,735)</u>
End of year	<u>-</u>	<u>1,550,076</u>	<u>2,182,590</u>	<u>2,692,276</u>	<u>1,028,920</u>	<u>24,092,830</u>	<u>-</u>	<u>31,546,692</u>
Net book value	<u>\$ 4,091,918</u>	<u>\$ 970,152</u>	<u>\$ 3,394,826</u>	<u>\$ 1,892,826</u>	<u>\$ 1,065,635</u>	<u>\$ 42,436,333</u>	<u>\$ 54,770</u>	<u>\$ 53,906,460</u>

Township of West Lincoln

Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2015

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Culture Services	Planning and Development	Eliminations	Consolidated
Revenues									
Taxation	\$ 1,336,099	\$ 850,969	\$ 2,389,090	\$ -	\$ 46,795	\$ 962,956	\$ 194,599	\$ -	\$ 5,780,508
User charges	13,955	887,081	89,307	2,631,150	6,328	337,708	386,069	-	4,351,598
Grants	785,826	-	372,568	3,443	-	53,400	42,354	-	1,257,591
Other	745,856	-	14,054	-	-	26,955	-	-	786,865
Contributed tangible capital assets	-	-	100,479	21,150	-	66,000	-	-	187,629
Loss on disposal of tangible capital assets	(63,901)	-	(202,381)	(7,692)	-	-	-	-	(273,974)
Change in equity of subsidiary	163,482	-	-	-	-	-	-	-	163,482
	2,981,317	1,738,050	2,763,117	2,648,051	53,123	1,447,019	623,022	-	12,253,699
Expenses									
Salaries and benefits	1,311,822	732,643	1,344,904	223,293	-	831,091	330,413	-	4,774,166
Operating materials and supplies	286,825	229,097	902,105	69,723	13,303	412,062	10,102	-	1,923,217
Contracted services	189,695	138,964	517,411	1,799,941	42,821	46,669	355,317	-	3,090,818
Rent and financial expenses	39,251	-	-	-	-	5,000	-	-	44,251
External transfers to others	12,532	-	20,680	-	10,300	4,900	-	-	48,412
Tax write-offs	77,722	-	394	-	-	-	-	-	78,116
Interfunctional adjustments	(321,800)	33,800	(220,100)	425,200	-	79,900	3,000	-	-
Amortization	102,834	144,170	1,068,331	640,815	513	158,499	1,080	-	2,116,242
	1,698,881	1,278,674	3,633,725	3,158,972	66,937	1,538,121	699,912	-	12,075,222
Annual surplus (deficit)	\$ 1,282,436	\$ 459,376	\$ (870,608)	\$ (510,921)	\$ (13,814)	\$ (91,102)	\$ (76,890)	\$ -	\$ 178,477

Township of West Lincoln

Consolidated Schedule of Segment Disclosure

For the year ended December 31, 2014

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Culture Services	Planning and Development	Eliminations	Consolidated
Revenues									
Taxation	\$ 309,186	\$ 984,972	\$ 2,868,722	\$ -	\$ 57,031	\$ 998,596	\$ 135,901	\$ -	\$ 5,354,408
User charges	31,014	354,407	7,902	2,504,826	7,416	358,056	304,098	-	3,567,719
Grants	721,500	-	788,291	39,673	-	106,517	13,408	-	1,669,389
Other	761,900	-	10,691	-	1,895	20,892	-	-	795,378
Contributed tangible capital assets	10,069	-	34,632	432,466	-	-	-	-	477,167
Gain (loss) on disposal of tangible capital assets	113,188	-	(68,372)	(215,847)	-	-	-	-	(171,031)
Change in equity of subsidiary	76,847	-	-	-	-	-	-	-	76,847
	2,023,704	1,339,379	3,641,866	2,761,118	66,342	1,484,061	453,407	-	11,769,877
Expenses									
Salaries and benefits	1,342,499	721,313	1,327,263	253,969	-	778,675	393,417	-	4,817,136
Operating materials and supplies	312,328	230,722	1,072,950	64,646	9,496	389,395	12,022	-	2,091,559
Contracted services	441,380	86,744	605,079	1,691,253	37,662	67,319	154,100	-	3,083,537
Rent and financial expenses	41,990	-	-	-	-	5,000	-	-	46,990
External transfers to others	433,265	-	6,008	19,000	11,200	4,900	-	-	474,373
Tax write-offs	26,408	-	587	-	-	-	-	-	26,995
Interfunctional adjustments	(321,800)	33,800	(220,100)	425,200	-	79,900	3,000	-	-
Amortization	107,823	171,915	1,120,689	609,699	300	153,615	4,606	-	2,168,647
	2,383,893	1,244,494	3,912,476	3,063,767	58,658	1,478,804	567,145	-	12,709,237
Annual surplus (deficit)	\$ (360,189)	\$ 94,885	\$ (270,610)	\$ (302,649)	\$ 7,684	\$ 5,257	\$ (113,738)	\$ -	\$ (939,360)

Township of West Lincoln

Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2015

	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
General government			
Revenue			
Taxation	\$ 1,321,316	\$ 1,336,099	\$ 309,186
User charges	11,000	13,955	31,014
Government transfers	862,161	785,826	721,500
Other	638,600	745,856	761,900
Contributed tangible capital assets	-	-	10,069
(Loss) gain on disposal of tangible capital assets	-	(63,901)	113,188
Change in equity of subsidiary	<u>-</u>	<u>163,482</u>	<u>76,847</u>
	<u>2,833,077</u>	<u>2,981,317</u>	<u>2,023,704</u>
Expenses			
Salaries and benefits	1,293,500	1,311,822	1,342,499
Operating materials and supplies	315,816	286,825	312,328
Contracted services	181,400	189,695	441,380
Rent and financial expenses	43,000	39,251	41,990
External transfers to others	12,700	12,532	433,265
Tax write-offs	105,100	77,722	26,408
Interfunctional adjustments	(321,800)	(321,800)	(321,800)
Amortization	<u>102,834</u>	<u>102,834</u>	<u>107,823</u>
	<u>1,732,550</u>	<u>1,698,881</u>	<u>2,383,893</u>
Annual surplus (deficit)	<u>\$ 1,100,527</u>	<u>\$ 1,282,436</u>	<u>\$ (360,189)</u>
Protection to persons and property			
Revenue			
Taxation	\$ 841,554	\$ 850,969	\$ 984,972
User charges	<u>262,700</u>	<u>887,081</u>	<u>354,407</u>
	<u>1,104,254</u>	<u>1,738,050</u>	<u>1,339,379</u>
Expenses			
Salaries and benefits	740,200	732,643	721,313
Operating materials and supplies	247,078	229,097	230,722
Contracted services	104,800	138,964	86,744
Interfunctional adjustments	33,800	33,800	33,800
Amortization	<u>144,170</u>	<u>144,170</u>	<u>171,915</u>
	<u>1,270,048</u>	<u>1,278,674</u>	<u>1,244,494</u>
Annual surplus (deficit)	<u>\$ (165,794)</u>	<u>\$ 459,376</u>	<u>\$ 94,885</u>

Township of West Lincoln

Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2015

	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Transportation services			
Revenue			
Taxation	\$ 2,362,656	\$ 2,389,090	\$ 2,868,722
User charges	46,700	89,307	7,902
Government transfers	400,600	372,568	788,291
Other	6,100	14,054	10,691
Contributed tangible capital assets	-	100,479	34,632
Loss on disposal of tangible capital assets	-	(202,381)	(68,372)
	<u>2,816,056</u>	<u>2,763,117</u>	<u>3,641,866</u>
Expenses			
Salaries and benefits	1,294,400	1,344,904	1,327,263
Operating materials and supplies	989,219	902,105	1,072,950
Contracted services	544,500	517,411	605,079
External transfers to others		20,680	6,008
Tax write-offs	1,000	394	587
Interfunctional adjustments	(220,100)	(220,100)	(220,100)
Amortization	1,068,331	1,068,331	1,120,689
	<u>3,677,350</u>	<u>3,633,725</u>	<u>3,912,476</u>
Annual deficit	<u>\$ (861,294)</u>	<u>\$ (870,608)</u>	<u>\$ (270,610)</u>
Environmental services			
Revenue			
User charges	\$ 2,522,450	\$ 2,631,150	\$ 2,504,826
Government transfers	-	3,443	39,673
Contributed tangible capital assets	-	21,150	432,466
Loss on disposal of tangible capital assets	-	(7,692)	(215,847)
	<u>2,522,450</u>	<u>2,648,051</u>	<u>2,761,118</u>
Expenses			
Salaries and benefits	233,900	223,293	253,969
Operating materials and supplies	103,873	69,723	64,646
Contracted services	1,887,451	1,799,941	1,691,253
Tax write-offs	-	-	19,000
Interfunctional adjustments	425,200	425,200	425,200
Amortization	640,815	640,815	609,699
	<u>3,291,239</u>	<u>3,158,972</u>	<u>3,063,767</u>
Annual deficit	<u>\$ (768,789)</u>	<u>\$ (510,921)</u>	<u>\$ (302,649)</u>

Township of West Lincoln

Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2015

	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Health services			
Revenue			
Taxation	\$ 46,277	\$ 46,795	\$ 57,031
User charges	5,000	6,328	7,416
Other	<u>-</u>	<u>-</u>	<u>1,895</u>
	<u>51,277</u>	<u>53,123</u>	<u>66,342</u>
Expenses			
Operating materials and supplies	10,000	13,303	9,496
Contracted services	37,700	42,821	37,662
External transfers to others	10,200	10,300	11,200
Amortization	<u>513</u>	<u>513</u>	<u>300</u>
	<u>58,413</u>	<u>66,937</u>	<u>58,658</u>
Annual (deficit) surplus	<u>\$ (7,136)</u>	<u>\$ (13,814)</u>	<u>\$ 7,684</u>

Recreation and culture services

Revenue			
Taxation	\$ 952,301	\$ 962,956	\$ 998,596
User charges	393,520	337,708	358,056
Government transfers	100,500	53,400	106,517
Other	17,800	26,955	20,892
Contributed tangible capital assets	<u>-</u>	<u>66,000</u>	<u>-</u>
	<u>1,464,121</u>	<u>1,447,019</u>	<u>1,484,061</u>
Expenses			
Salaries and benefits	878,100	831,091	778,675
Operating materials and supplies	448,224	412,062	389,395
Contracted services	45,200	46,669	67,319
Rent and financial expenses	5,000	5,000	5,000
External transfers to others	4,900	4,900	4,900
Interfunctional adjustments	79,900	79,900	79,900
Amortization	<u>158,499</u>	<u>158,499</u>	<u>153,615</u>
	<u>1,619,823</u>	<u>1,538,121</u>	<u>1,478,804</u>
Annual (deficit) surplus	<u>\$ (155,702)</u>	<u>\$ (91,102)</u>	<u>\$ 5,257</u>

Township of West Lincoln

Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2015

	Budget <u>2015</u>	Actual <u>2015</u>	Actual <u>2014</u>
Planning and development			
Revenue			
Taxation	\$ 192,446	\$ 194,599	\$ 135,901
User charges	393,600	386,069	304,098
Government transfers	<u>25,000</u>	<u>42,354</u>	<u>13,408</u>
	<u>611,046</u>	<u>623,022</u>	<u>453,407</u>
Expenses			
Salaries and benefits	340,800	330,413	393,417
Operating materials and supplies	19,000	10,102	12,022
Contracted services	409,100	355,317	154,100
Interfunctional adjustments	3,000	3,000	3,000
Amortization	<u>1,080</u>	<u>1,080</u>	<u>4,606</u>
	<u>772,980</u>	<u>699,912</u>	<u>567,145</u>
Annual deficit	<u>\$ (161,934)</u>	<u>\$ (76,890)</u>	<u>\$ (113,738)</u>

Independent auditor's report

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

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of West Lincoln, which comprise the statement of financial position as at December 31, 2015, and the statement of operations for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the financial reporting provisions prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of West Lincoln as at December 31, 2015, and the results of its operations for the year then ended in accordance with the financial reporting provisions of the Ministry of Municipal Affairs and Housing.

Basis of accounting and restriction on use

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

Grant Thornton LLP

Port Colborne, Canada
July 18, 2016

Chartered Professional Accountants
Licensed Public Accountants

Township of West Lincoln Trust Funds

Statement of Financial Position

As at December 31, 2015

	Bethel Cemetery Perpetual Care	Cemetery Perpetual Care	Marker Perpetual Care	St. Ann's Cemetery
Financial assets				
Due from Corporation of the Township of West Lincoln	\$ 15,812	\$ 60,131	\$ 13,006	\$ 5,608
Net financial assets and accumulated surplus	<u>\$ 15,812</u>	<u>\$ 60,131</u>	<u>\$ 13,006</u>	<u>\$ 5,608</u>

Statement of Operations

For the Year Ended December 31, 2015

Revenue				
Perpetual care agreements	\$ -	\$ 2,400	\$ 550	\$ -
Interest earned	<u>126</u>	<u>474</u>	<u>102</u>	<u>44</u>
	126	2,874	652	44
Expenses				
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Annual surplus	126	2,874	652	44
Accumulated surplus				
Beginning of year	<u>15,686</u>	<u>57,257</u>	<u>12,354</u>	<u>5,564</u>
End of year	<u>\$ 15,812</u>	<u>\$ 60,131</u>	<u>\$ 13,006</u>	<u>\$ 5,608</u>

<u>Waite Cemetery Trust</u>	<u>Union Cemetery Trust</u>	<u>Union Cemetery Monuments</u>	<u>Union Cemetery Care & Maintenance</u>	<u>2015 Total</u>	<u>2014 Total</u>
<u>\$ 6,408</u>	<u>\$ 33,163</u>	<u>\$ 6,992</u>	<u>\$ 16,961</u>	<u>\$ 158,081</u>	<u>\$ 153,874</u>
<u>\$ 6,408</u>	<u>\$ 33,163</u>	<u>\$ 6,992</u>	<u>\$ 16,961</u>	<u>\$ 158,081</u>	<u>\$ 153,874</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,950</u>	<u>\$ 4,000</u>
<u>51</u>	<u>267</u>	<u>56</u>	<u>137</u>	<u>1,257</u>	<u>1,719</u>
51	267	56	137	4,207	5,719
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
51	267	56	137	4,207	5,719
<u>6,357</u>	<u>32,896</u>	<u>6,936</u>	<u>16,824</u>	<u>153,874</u>	<u>148,155</u>
<u>\$ 6,408</u>	<u>\$ 33,163</u>	<u>\$ 6,992</u>	<u>\$ 16,961</u>	<u>\$ 158,081</u>	<u>\$ 153,874</u>

See accompanying note to the financial statements

Township of West Lincoln Trust Funds Note to the Financial Statements

For the Year Ended December 31, 2015

1. Accounting policies

The financial statements of the Trust Funds of the Corporation of the Township of West Lincoln 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.

(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.