

Consolidated Financial Statements of

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

December 31, 2022

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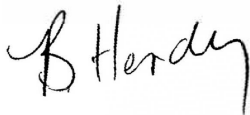
## Management's Responsibility for the Consolidated Financial Statements

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 KPMG 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.



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Chief Administrative Officer



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Treasurer

June 26, 2023



KPMG LLP  
Commerce Place  
21 King Street West, Suite 700  
Hamilton ON L8P 4W7  
Canada  
Tel 905-523-8200  
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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the consolidated financial statements of the Corporation of the Township of West Lincoln ("the Township"), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Township as at December 31, 2022, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows 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 auditor's report.

We are independent of the Township 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.



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### ***Other Matter – Comparative Information***

The consolidated financial statements for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on July 18, 2022.

### ***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 Townships' 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 Township or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Townships' 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 the 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.



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- 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 Townships' 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 Townships' 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 Township 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Township to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants,  
Hamilton, Canada  
June 26, 2023

# The Corporation of the Township of West Lincoln

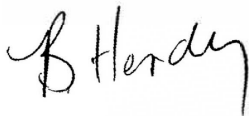
## Consolidated Statement of Financial Position

As At December 31, 2022

	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	\$ 12,444,767	\$ 15,877,421
Portfolio investments (Note 3)	12,835,354	10,137,189
Taxes receivable	2,347,733	1,963,549
User charges receivable	825,188	894,035
Accounts receivable	1,420,830	1,272,087
Long term receivables	47,051	21,323
Investment in subsidiary (Note 4)	7,988,771	7,896,894
	<u>37,909,694</u>	<u>38,062,498</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,742,921	3,830,121
Other liabilities	2,459,261	2,540,832
Due to trust funds (Note 18)	271,963	261,013
Deferred revenue (Note 5)	6,266,700	6,953,704
Long term debt (Note 7)	17,349,206	18,071,487
Liability for contaminated site (Note 8)	945,900	302,667
Employee benefit obligations (Note 9)	1,042,970	961,921
	<u>32,078,921</u>	<u>32,921,745</u>
<b>Net financial assets</b>	<u>5,830,773</u>	<u>5,140,753</u>
<b>Non-financial assets</b>		
Tangible capital assets (Pages 26 and 27)	93,668,677	92,809,831
Inventory	25,205	16,222
Prepaid expenses	224,037	164,389
	<u>93,917,919</u>	<u>92,990,442</u>
<b>Accumulated surplus (Note 10)</b>	<u>\$ 99,748,692</u>	<u>\$ 98,131,195</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, 2022

	Budget 2022	Actual 2022	Actual 2021
	(Note 22)		
<b>Revenues</b>			
Taxation (Note 12)	\$ 9,440,740	\$ 9,529,359	\$ 9,181,012
User charges (Note 14)	5,917,140	5,400,840	5,191,666
Government transfers (Note 15)	1,280,710	1,162,595	1,504,765
Other (Note 16)	947,360	1,754,335	1,330,632
	<u>17,585,950</u>	<u>17,847,129</u>	<u>17,208,075</u>
<b>Expenses</b>			
General government	3,566,068	3,262,645	2,227,728
Protection to persons and property	2,074,546	1,825,305	1,826,160
Transportation services	4,655,428	5,036,021	4,433,877
Environmental services	4,924,678	4,186,332	4,307,691
Health services	162,794	119,899	113,919
Recreation and cultural services	3,207,782	3,779,225	3,424,250
Planning and development	886,192	620,843	658,179
	<u>19,477,488</u>	<u>18,830,270</u>	<u>16,991,804</u>
<b>Net (expense) revenue before other</b>	<u>(1,891,538)</u>	<u>(983,141)</u>	<u>216,271</u>
<b>Other</b>			
Revenue related to tangible capital assets			
User charges (Note 14)	283,950	997,893	335,995
Government transfers (Note 15)	2,363,500	1,496,851	594,271
Other (Note 16)	3,000	13,378	61,494
Contributed tangible capital assets	-	-	16,981
Gain (loss) on disposal of tangible capital assets	-	639	(38,184)
Change in equity of subsidiary (Note 4)	-	91,877	143,710
	<u>2,650,450</u>	<u>2,600,638</u>	<u>1,114,267</u>
<b>Annual surplus</b>	<u>758,912</u>	<u>1,617,497</u>	<u>1,330,538</u>
<b>Accumulated surplus (Note 10)</b>			
Beginning of year	<u>98,131,195</u>	<u>98,131,195</u>	<u>96,800,657</u>
End of year	<u>\$ 98,890,107</u>	<u>\$ 99,748,692</u>	<u>\$ 98,131,195</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, 2022

	Budget 2022	Actual 2022	Actual 2021
	(Note 22)		
Annual surplus	\$ 758,912	\$ 1,617,497	\$ 1,330,538
Amortization of tangible capital assets	3,468,073	3,468,073	3,449,674
Acquisition of tangible capital assets	(5,421,450)	(4,344,969)	(4,589,804)
Capitalization of prior year construction in progress	-	493	704,060
(Gain) loss disposal of tangible capital assets	-	(639)	38,184
Proceeds from sale of tangible capital assets	-	18,196	97,852
	(1,194,465)	758,651	1,030,504
(Acquisition) use of inventory	-	(8,983)	195
Acquisition of prepaid expenses	-	(59,648)	(36,507)
<b>Change in net financial assets</b>	(1,194,465)	690,020	994,192
<b>Net financial assets</b>			
Beginning of year	5,140,753	5,140,753	4,146,561
End of year	\$ 3,946,288	\$ 5,830,773	\$ 5,140,753

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, 2022

	2022	2021
<b>Operating activities</b>		
Annual surplus	\$ 1,617,497	\$ 1,330,538
Non-cash items		
Amortization of tangible capital assets	3,468,073	3,449,674
(Gain) loss disposal of tangible capital assets	(639)	38,184
Increase in taxes receivable	(384,184)	(10,560)
Decrease (increase) in user charges receivable	68,847	(73,650)
Increase (decrease) in accounts receivable	(148,743)	192,067
Decrease in accounts payable and accrued liabilities	(87,200)	(45,410)
(Decrease) increase in other liabilities	(81,571)	243,099
Increase in due to trust funds	10,950	11,000
(Decrease) increase in deferred revenue	(687,004)	490,659
Increase in liability for contaminated site	643,233	5,222
Increase in employee benefit obligations	81,049	71,595
(Increase) decrease in inventory	(8,983)	195
Increase in prepaid expenses	(59,648)	(36,507)
	<u>4,431,677</u>	<u>5,666,106</u>
<b>Capital activities</b>		
Proceeds from sale of tangible capital assets	18,196	97,852
Capitalization of prior year construction in progress	493	704,060
Acquisition of tangible capital assets	(4,344,969)	(4,589,804)
	<u>(4,326,280)</u>	<u>(3,787,892)</u>
<b>Investing activities</b>		
Increase in portfolio investments	(2,698,165)	(2,679,502)
Increase in investment in subsidiary	(91,877)	(143,710)
Increase in long term receivables	(25,728)	(21,169)
	<u>(2,815,770)</u>	<u>(2,844,381)</u>
<b>Financing activities</b>		
Issuance of long term debt	-	900,000
Payment of long term debt	(722,281)	(662,279)
	<u>(722,281)</u>	<u>237,721</u>
<b>Net change in cash and cash equivalents</b>	<b>(3,432,654)</b>	<b>(728,446)</b>
<b>Cash and cash equivalents</b>		
Beginning of year	<u>15,877,421</u>	<u>16,605,867</u>
End of year	<u>\$ 12,444,767</u>	<u>\$ 15,877,421</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, 2022

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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 consolidated financial 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, 2022

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### 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 amortized cost and market value. Where there has been a loss that is other than a temporary decline in market value, the respective investment is written down to recognize the loss.

#### (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, 2022

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### 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.

The cost of multi-employer defined benefit pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period. OMERS has been accounted for as a defined contribution plan since it is a multi-employer plan.

#### (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.

# The Corporation of the Township of West Lincoln

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 1. Significant accounting policies (continued)

#### (i) Tangible capital assets (continued)

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

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

<b>Classification</b>	<b>Useful Life</b>
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, 2022

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### 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, 2022

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### 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:

	2022	2021
Cash on hand	\$ 668	\$ 528
Cash held in banks	5,189,835	15,792,524
Investments maturing within three months	7,254,264	84,369
	<b>\$ 12,444,767</b>	<b>\$ 15,877,421</b>

### 3. Portfolio investments

	2022	2021
Guaranteed investment certificates	\$ 11,087,117	\$ 7,973,165
Debentures and bonds	1,538,389	2,059,083
Accrued interest income	209,848	104,941
	<b>\$ 12,835,354</b>	<b>\$ 10,137,189</b>

Portfolio investments carry an effective interest rate ranging from 1.15% to 5.35% and maturity dates ranging from May 2023 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 \$12,714,209 (2021 - \$10,122,994).

### 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, 2022

### 4. Investment in subsidiary (continued)

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

	2022	2021
<b>Financial position</b>		
Current assets	\$ 1,717,662	\$ 1,646,498
Capital assets	69,265	79,889
Investment	37,784,856	36,873,000
Total assets	<u>39,571,783</u>	<u>38,599,387</u>
Current liabilities	58,433	56,753
Deferred tax liabilities	6,226,804	5,638,911
Total liabilities	<u>6,285,237</u>	<u>5,695,664</u>
Net assets	<u>\$ 33,286,546</u>	<u>\$ 32,903,723</u>
Township of West Lincoln's interest – 24%	<u>\$ 7,988,771</u>	<u>\$ 7,896,894</u>
<b>Change in equity investment in subsidiary</b>		
Revenues	\$ 215,604	\$ 171,920
Expenses	(205,572)	(170,136)
Income from operating activities	10,032	1,784
Gain on investment – Niagara Peninsula Energy Inc.	1,421,855	828,921
Finance income – net	24,722	7,569
Income before income taxes	<u>1,456,609</u>	<u>838,274</u>
Income tax expense	(597,786)	(2,081)
Net income and comprehensive income	<u>858,823</u>	<u>836,193</u>
Dividends	(476,000)	(237,400)
Net increase in equity of subsidiary	<u>\$ 382,823</u>	<u>\$ 598,793</u>
Change in equity of subsidiary – 24%	<u>\$ 91,877</u>	<u>\$ 143,710</u>

The financial position information is as reported by PWPI at December 31, 2022 and the results of operations are as reported for the year ended December 31, 2022. The comparative financial position and results of operations figures are as reported by PWPI at December 31, 2021.

# The Corporation of the Township of West Lincoln

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

### 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.

	<b>2022</b>	<b>2021</b>
Electricity purchased	<b>\$ 280,107</b>	\$ 246,825
Contracted services	<b>7,298</b>	5,798
	<b>\$ 287,405</b>	\$ 252,623

### 5. Deferred revenue

	<b>2022</b>	<b>2021</b>
Development Charges Act	<b>\$ 3,548,509</b>	\$ 4,215,049
Recreational land (Planning Act)	<b>487,285</b>	352,758
Canada Community - Building Fund	<b>1,031,111</b>	1,375,635
Deferred property tax revenue	<b>920,141</b>	889,369
Other	<b>279,654</b>	120,893
	<b>\$ 6,266,700</b>	\$ 6,953,704

Deferred revenue is made up of the following:

	<b>2022</b>	<b>2021</b>
Balance, beginning of year	<b>\$ 6,953,704</b>	\$ 6,463,045
Contributions from		
Development Charges Act	<b>399,333</b>	522,440
Interest earned	<b>148,997</b>	51,707
Canada Community - Building Fund	<b>459,870</b>	901,956
Deferred property tax revenue	<b>920,141</b>	889,369
Other	<b>715,994</b>	-
	<b>2,644,335</b>	2,365,472
Utilized for		
Operations	<b>(1,012,480)</b>	(879,995)
Tangible capital asset acquisitions	<b>(2,318,859)</b>	(994,818)
	<b>(3,331,339)</b>	(1,874,813)
Balance, end of year	<b>\$ 6,266,700</b>	\$ 6,953,704

# The Corporation of the Township of West Lincoln

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

### 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 (2021 - \$nil).

### 7. Long term debt

	<u>2022</u>	<u>2021</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:	<b>\$ 17,349,206</b>	<b>\$ 18,071,487</b>

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>2022</u>	<u>2021</u>
2017-83	Recreation Centre	3.53%	2048	<b>\$ 12,750,000</b>	\$ 13,250,000
2017-83	Bridge 12	3.16%	2028	<b>159,206</b>	188,153
2019-101	Recreation Centre	2.80%	2049	<b>3,600,000</b>	3,733,334
2021-109	Elcho and Concession 5 Roads	2.63%	2036	<b>840,000</b>	900,000
				<b>\$ 17,349,206</b>	<b>\$ 18,071,487</b>

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

2023	\$ 722,280
2024	722,280
2025	722,280
2026	722,280
2027	722,280
Thereafter	<u>13,737,806</u>
	<b>\$ 17,349,206</b>

The Municipality paid \$595,939 (2021 - \$594,963) 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, 2022

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### 8. Liability for contaminated site

In 2022, a Consulting Geotechnical and Environmental Engineering firm was hired by the Township to complete an Environmental Site Assessment at 5490 Vaughan 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 approximately \$945,900.

### 9. Employee benefit obligations

	<b>2022</b>	2021
Accrued vacation pay funded	<b>\$ 441,670</b>	\$ 386,921
Retirement benefits	<b>601,300</b>	575,000
	<b>1,042,970</b>	961,921
Less: Accrued vacation pay funded	<b>441,670</b>	386,921
Liabilities to be recovered in the future	<b>\$ 601,300</b>	\$ 575,000

#### Retirement benefits

	<b>2022</b>	2021
Accrued benefit obligation:		
Balance, beginning of year	<b>\$ 571,400</b>	\$ 574,100
Current benefit cost	<b>50,300</b>	40,700
Interest	<b>17,400</b>	16,400
Benefits paid	<b>(42,900)</b>	(59,800)
Actuarial gain	<b>(87,400)</b>	-
Balance, end of year	<b>508,800</b>	571,400
Unamortized actuarial gain	<b>92,500</b>	3,600
Accrued benefit liability, end of year	<b>\$ 601,300</b>	\$ 575,000

Included in expenses is \$1,500 (2021 - \$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, 2022

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### 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 completed with an effective date of December 31, 2022, using a discount rate of 4.60% (2021 - 2.80%). Medical costs were assumed to increase in 2022 at 6.79%, decreasing by 0.110% per year until the rate of increase is 4.50%. Dental costs were assumed to increase 4.50% 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

	2022	2021
Operating surplus	\$ 571,590	\$ 651,372
Investment in subsidiary	7,988,771	7,896,894
Unfunded:		
Liability for contaminated sites	(945,900)	(302,667)
Employee benefit obligations	(601,300)	(575,000)
Investment in tangible capital assets (net of long term debt)	76,319,473	74,738,343
Reserves and reserve funds (Note 11)	16,416,058	15,722,253
	<b>\$ 99,748,692</b>	<b>\$ 98,131,195</b>

### 11. Reserves and reserve funds

	2022	2021
Working funds	\$ -	\$ 45,159
Contingencies	1,749,081	1,382,010
Technology	153,589	184,363
Hospital	1,453,997	1,326,367
Insurance	187,655	187,655
Election	27,373	117,231
Library	332,924	290,045
Capital	2,141,844	1,740,959
Wind turbine community fund	443,847	945,023
Fire trucks and equipment	1,661,582	1,536,991
Road equipment	997,610	1,194,254
Industrial park	455,759	455,759
Bridges	430,087	435,090
Facilities	412,822	372,616

# The Corporation of the Township of West Lincoln

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

### 11. Reserves and reserve funds (continued)

	2022	2021
Sidewalks	201,186	177,102
Streetlights	64,752	64,752
Sewers	2,151,522	1,710,734
Water	1,379,946	985,673
Winter control	638,000	633,000
Cemeteries	73,979	38,595
West Lincoln Community Centre	352,627	169,927
Settlement road agreement	438,338	957,204
Planning	543,941	402,627
Building revenues	123,597	369,117
	<b>\$ 16,416,058</b>	<b>\$ 15,722,253</b>

### 12. Taxation

	Budget 2022	Actual 2022	Actual 2021
Real property	\$ 27,539,882	\$ 27,792,438	\$ 26,566,145
From other governments			
Payments in lieu of taxes	1,111,784	1,119,838	1,117,611
	<b>28,651,666</b>	<b>28,912,276</b>	<b>27,683,756</b>
Less: taxation collected on behalf of others (Note 13)	19,210,926	19,382,917	18,502,744
Net taxes available for municipal purposes	<b>\$ 9,440,740</b>	<b>\$ 9,529,359</b>	<b>\$ 9,181,012</b>
Residential and farm	\$ 7,815,850	\$ 7,650,242	\$ 7,335,116
Commercial	1,155,630	1,481,918	1,460,200
Industrial	469,260	397,199	385,696
Net taxes available for municipal purposes	<b>\$ 9,440,740</b>	<b>\$ 9,529,359</b>	<b>\$ 9,181,012</b>

# The Corporation of the Township of West Lincoln

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

### 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:

	2022	2021
Region of Niagara	\$ 15,041,829	\$ 14,271,013
School boards	4,341,088	4,231,731
	<b>\$ 19,382,917</b>	<b>\$ 18,502,744</b>

The Municipality is required to levy and collect taxes on behalf of the Region of Niagara and the school boards. These taxes are recorded as revenue at the amounts levied. The taxes levied 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 2022	Actual 2022	Actual 2021
<b>Operating</b>			
Direct water and sewer billings	\$ 4,355,860	\$ 4,190,139	\$ 4,035,479
Licences and permits	451,540	344,502	400,847
Development charges	228,000	53,699	126,656
Recreation	406,330	371,841	190,783
Rents and concessions	55,510	57,370	56,265
Other	419,900	383,289	381,636
	<b>5,917,140</b>	<b>5,400,840</b>	<b>5,191,666</b>
<b>Capital</b>			
Development charges	283,950	997,893	335,995
	<b>\$ 6,201,090</b>	<b>\$ 6,398,733</b>	<b>\$ 5,527,661</b>

# The Corporation of the Township of West Lincoln

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

### 15. Government transfers

	Budget 2022	Actual 2022	Actual 2021
<b>Operating</b>			
Province of Ontario	\$ 1,210,690	\$ 1,113,844	\$ 1,390,552
Government of Canada	-	36,802	43,582
Municipal	70,020	11,949	70,631
	<u>1,280,710</u>	<u>1,162,595</u>	<u>1,504,765</u>
<b>Capital</b>			
Province of Ontario	619,500	463,071	310,299
Government of Canada	1,244,000	1,013,800	283,972
Municipal	500,000	19,980	-
	<u>2,363,500</u>	<u>1,496,851</u>	<u>594,271</u>
	<u>\$ 3,644,210</u>	<u>\$ 2,659,446</u>	<u>\$ 2,099,036</u>

### 16. Other revenue

	Budget 2022	Actual 2022	Actual 2021
<b>Operating</b>			
Penalties and interest on taxes	\$ 300,000	\$ 370,491	\$ 326,781
Other fines	23,540	37,294	29,981
Interest and dividend income	180,000	600,874	338,889
Interest income - reserves and reserve funds	-	15,995	7,911
Other	23,820	278,181	175,570
Community Fund	420,000	451,500	451,500
	<u>947,360</u>	<u>1,754,335</u>	<u>1,330,632</u>
<b>Capital</b>			
Developer contribution	-	10,378	-
Other	3,000	3,000	61,494
	<u>3,000</u>	<u>13,378</u>	<u>61,494</u>
	<u>\$ 950,360</u>	<u>\$ 1,767,713</u>	<u>\$ 1,392,126</u>



# The Corporation of the Township of West Lincoln

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 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 \$6.68 billion (2021 - \$3.13 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 2022 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 2022 current and past service was \$426,751 (2021 - \$401,437) 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 \$271,963 (2021 - \$261,013) 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

#### 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.

### 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.

# The Corporation of the Township of West Lincoln

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 22. Budget

The budget by-law adopted by Council on February 28, 2022 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 accumulated surplus and changes in net financial assets represent the Council approved budget and subsequent budget amendments, with the following adjustments.

	<u>2022</u>
Approved budgeted annual surplus	\$ -
Add:	
Acquisition of tangible capital assets	5,421,450
YMCA obligation	52,500
Debenture principal repayment	722,450
Transfer to reserve and reserve funds	2,796,880
Less:	
Transfer from reserve and reserve funds	(4,116,295)
Debenture proceeds	(650,000)
Amortization of tangible capital assets	<u>(3,468,073)</u>
Budgeted surplus reported on the consolidated statement of operations	<u>\$ 758,912</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 Consolidated Schedule of Segment Disclosure, 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.

#### 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.

# The Corporation of the Township of West Lincoln

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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### 23. Segmented information (continued)

#### 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.

### 25. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year and have no impact on annual surplus.

## The Corporation of the Township of West Lincoln Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2022

								2022
	Land	Land Improvements	Facilities	Rolling Stock	Equipment	Infrastructure	Construction in Progress	Total
<b>Cost</b>								
Beginning 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
Add: additions	-	253,944	240,875	626,074	213,953	1,038,098	1,972,025	4,344,969
Less: disposals	-	(46,838)	(48,985)	(378,101)	(144,982)	(274,303)	(493)	(893,702)
End of year	4,112,267	5,637,567	25,891,656	6,944,668	4,554,057	89,651,118	2,171,517	138,962,850
<b>Accumulated amortization</b>								
Beginning of year	-	1,991,284	3,337,314	2,981,429	1,456,275	32,935,450	-	42,701,752
Add: amortization	-	164,358	590,143	404,261	365,040	1,944,271	-	3,468,073
Less: amortization on disposals	-	(46,838)	(37,724)	(378,102)	(144,982)	(268,006)	-	(875,652)
End of year	-	2,108,804	3,889,733	3,007,588	1,676,333	34,611,715	-	45,294,173
<b>Net book value</b>	\$ 4,112,267	\$ 3,528,763	\$ 22,001,923	\$ 3,937,080	\$ 2,877,724	\$ 55,039,403	\$ 2,171,517	\$ 93,668,677

## The Corporation of the Township of West Lincoln

### Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2022

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

# The Corporation of the Township of West Lincoln

## Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2022

								2022
	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Consolidated
<b>Revenues</b>								
Taxation	\$ 2,833,731	\$ 1,194,602	\$ 2,769,856	\$ 85,149	\$ 119,246	\$ 1,881,265	\$ 645,510	\$ 9,529,359
User charges	119,508	936,011	187,647	4,191,929	45,522	626,814	291,302	6,398,733
Government transfers	1,055,481	500,618	907,872	1,949	-	178,668	14,858	2,659,446
Other	1,475,413	51,399	10,378	19,827	5,360	205,336	-	1,767,713
(Loss) gain on disposal of tangible capital assets	(11,261)	-	11,900	-	-	-	-	639
Change in equity of subsidiary	91,877	-	-	-	-	-	-	91,877
	<b>5,564,749</b>	<b>2,682,630</b>	<b>3,887,653</b>	<b>4,298,854</b>	<b>170,128</b>	<b>2,892,083</b>	<b>951,670</b>	<b>20,447,767</b>
<b>Expenses</b>								
Salaries and benefits	1,939,659	927,170	1,698,039	439,876	13,834	1,614,572	471,410	7,104,560
Interest on long term debt	-	-	28,609	-	-	560,150	-	588,759
Operating materials and supplies	319,426	201,680	1,023,388	948,529	2,679	566,041	18,922	3,080,665
Contracted services	1,182,973	243,711	1,152,319	1,387,819	92,041	278,168	119,919	4,456,950
Rent and financial expenses	12,500	2,900	1,935	-	-	14,872	-	32,207
External transfers to others	19,500	518	-	-	10,300	5,200	-	35,518
Tax write-offs	61,505	-	2,033	-	-	-	-	63,538
Interfunctional adjustments	(537,700)	180,900	(363,390)	625,720	-	84,270	10,200	-
Amortization of tangible capital assets	264,782	268,426	1,493,088	784,388	1,045	655,952	392	3,468,073
	<b>3,262,645</b>	<b>1,825,305</b>	<b>5,036,021</b>	<b>4,186,332</b>	<b>119,899</b>	<b>3,779,225</b>	<b>620,843</b>	<b>18,830,270</b>
<b>Annual surplus (deficit)</b>	<b>\$ 2,302,104</b>	<b>\$ 857,325</b>	<b>\$ (1,148,368)</b>	<b>\$ 112,522</b>	<b>\$ 50,229</b>	<b>\$ (887,142)</b>	<b>\$ 330,827</b>	<b>\$ 1,617,497</b>

# The Corporation of the Township of West Lincoln

## Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2022

								2021
	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Consolidated
<b>Revenues</b>								
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	1,128,462	19,593	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) gain 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
	<b>4,277,953</b>	<b>1,859,067</b>	<b>3,588,816</b>	<b>4,100,130</b>	<b>130,358</b>	<b>3,261,472</b>	<b>1,104,546</b>	<b>18,322,342</b>
<b>Expenses</b>								
Salaries and benefits	1,743,638	872,746	1,624,200	422,495	20,641	1,429,253	449,822	6,562,795
Interest on long term debt	-	-	6,871	-	-	581,534	-	588,405
Operating materials and supplies	245,964	167,757	833,888	907,400	1,546	484,784	23,036	2,664,375
Contracted services	380,646	340,598	823,729	1,570,359	80,388	175,868	174,929	3,546,517
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
	<b>2,227,728</b>	<b>1,826,160</b>	<b>4,433,877</b>	<b>4,307,691</b>	<b>113,919</b>	<b>3,424,250</b>	<b>658,179</b>	<b>16,991,804</b>
<b>Annual surplus (deficit)</b>	<b>\$ 2,050,225</b>	<b>\$ 32,907</b>	<b>\$ (845,061)</b>	<b>\$ (207,561)</b>	<b>\$ 16,439</b>	<b>\$ (162,778)</b>	<b>\$ 446,367</b>	<b>\$ 1,330,538</b>



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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the Corporation of the Township of West Lincoln - Trust Funds ("the Trust Funds"), which comprise:

- the statement of financial position as at December 31, 2022
- 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

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2022, and its results of operations and accumulated surplus, 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 auditor's report.

We are independent of the Trust Funds 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.

### ***Other Matter – Comparative Information***

The financial statements for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on July 18, 2022.





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### ***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 Trust Funds' 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 Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds' 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 the 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 Trust Funds' internal control.



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- 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 Trust Funds' 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 Trust Funds 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.
- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants,

Hamilton, Canada

June 26, 2023

# The Corporation of the Township of West Lincoln

## Trust Funds

### Statement of Financial Position

As at December 31, 2022

	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	<b>2022 Total</b>	2021 Total
<b>Financial assets</b>												
Due from Corporation of the Township of West Lincoln	\$ 48,339	\$ 16,898	\$ 100,685	\$ 23,464	\$ 5,993	\$ 6,848	\$ 35,444	\$ 7,474	\$ 18,128	\$ 8,690	<b>\$ 271,963</b>	\$ 261,013
<b>Net financial assets and accumulated surplus</b>	<b>\$ 48,339</b>	<b>\$ 16,898</b>	<b>\$ 100,685</b>	<b>\$ 23,464</b>	<b>\$ 5,993</b>	<b>\$ 6,848</b>	<b>\$ 35,444</b>	<b>\$ 7,474</b>	<b>\$ 18,128</b>	<b>\$ 8,690</b>	<b>\$ 271,963</b>	\$ 261,013

### Statement of Operations and Accumulated Surplus

For the Year Ended December 31, 2022

<b>Revenue</b>												
Perpetual care agreements	\$ -	\$ -	\$ 8,550	\$ 2,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 10,950</b>	\$ 11,000
Interest earned	340	972	175	365	150	713	138	121	448	1,939	<b>5,361</b>	1,788
	<b>340</b>	<b>972</b>	<b>8,725</b>	<b>2,765</b>	<b>150</b>	<b>713</b>	<b>138</b>	<b>121</b>	<b>448</b>	<b>1,939</b>	<b>16,311</b>	12,788
<b>Expenses</b>												
Interest earned distributed to cemetery reserve	340	972	175	365	150	713	138	121	448	1,939	<b>5,361</b>	1,788
<b>Annual surplus</b>	<b>-</b>	<b>-</b>	<b>8,550</b>	<b>2,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,950</b>	11,000
<b>Accumulated Surplus</b>												
Beginning of year	48,339	16,898	92,135	21,064	5,993	6,848	35,444	7,474	18,128	8,690	<b>261,013</b>	250,013
End of year	<b>\$ 48,339</b>	<b>\$ 16,898</b>	<b>\$ 100,685</b>	<b>\$ 23,464</b>	<b>\$ 5,993</b>	<b>\$ 6,848</b>	<b>\$ 35,444</b>	<b>\$ 7,474</b>	<b>\$ 18,128</b>	<b>\$ 8,690</b>	<b>\$ 271,963</b>	\$ 261,013

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, 2022

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#### 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.