

Financial Report

City of Thorold

December 31, 2021

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# Independent auditor's report

## To the Members of Council, Inhabitants and Taxpayers of the Corporation of the City of Thorold

### Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of the Corporation of the City of Thorold as at December 31, 2021, and its results of operations, its changes in its net financial assets, and its 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 Consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

*Grant Thornton LLP*

Port Colborne, Canada  
August 2, 2022

Chartered Professional Accountants  
Licensed Public Accountants

# City of Thorold

## Consolidated Statement of Financial Position

As at December 31, 2021

	<u>2021</u>	<u>2020</u>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 64,899,185	\$ 61,546,526
Portfolio investments (Note 2)	20,525,996	9,371,117
Taxes receivable (Note 3)		
Current year	3,039,119	2,118,796
Prior years	1,744,317	1,919,215
User charges receivable	2,150,353	1,995,804
Other receivables	<u>2,879,644</u>	<u>2,567,114</u>
	<u>95,238,614</u>	<u>79,518,572</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	18,219,744	12,910,100
Deferred revenue - obligatory reserve funds (Note 4)	26,536,715	22,043,478
Deferred revenue - other (Note 5)	4,119,422	2,564,596
Employee benefit obligations (Notes 6 and 19)	2,132,011	2,027,043
Landfill liability (Note 7)	5,914,545	5,977,469
Contaminated sites liability (Note 8)	114,700	114,700
Long term debt (Note 9)	<u>704,646</u>	<u>829,584</u>
	<u>57,741,783</u>	<u>46,466,970</u>
<b>Net financial assets</b>	<u>37,496,831</u>	<u>33,051,602</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10 and Pages 28 and 29)	135,648,244	124,665,013
Prepaid expenses	<u>366,816</u>	<u>289,824</u>
	<u>136,015,060</u>	<u>124,954,837</u>
<b>Accumulated surplus (Note 11)</b>	<u>\$ 173,511,891</u>	<u>\$ 158,006,439</u>

Contingencies (Note 21), Commitments (Note 22), and Impacts of COVID-19 (Note 26)

Approved by

\_\_\_\_\_  
Director of Finance

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

See accompanying notes to the consolidated financial statements

# City of Thorold

## Consolidated Statement of Operations

For the Year Ended December 31, 2021

	Budget <u>2021</u> (Note 25)	Actual <u>2021</u>	Actual <u>2020</u>
<b>Revenues other than revenues related to tangible capital assets</b>			
Taxation (Note 14)	\$ 20,150,278	\$ <b>21,126,109</b>	\$ 19,440,414
User fees and charges (Note 16)	12,495,267	<b>12,972,804</b>	12,743,470
Government transfers (Note 17)	1,006,040	<b>1,516,828</b>	1,310,117
Other (Note 18)	<u>1,424,099</u>	<u><b>1,599,510</b></u>	<u>1,673,979</u>
	<u>35,075,684</u>	<u><b>37,215,251</b></u>	<u>35,167,980</u>
<b>Expenses</b>			
General government	2,027,684	<b>1,878,464</b>	1,964,096
Protection to persons and property	6,655,719	<b>6,802,740</b>	6,300,533
Transportation services	6,797,122	<b>7,005,696</b>	6,238,185
Environmental services	11,303,126	<b>11,304,522</b>	11,323,135
Health services	1,381,445	<b>1,328,635</b>	1,290,499
Social and family services	252,336	<b>224,477</b>	227,135
Recreation and culture services	4,147,616	<b>3,928,764</b>	3,408,846
Planning and development	<u>1,496,809</u>	<u><b>1,085,152</b></u>	<u>965,534</u>
	<u>34,061,857</u>	<u><b>33,558,450</b></u>	<u>31,717,963</u>
<b>Annual surplus before revenues related to tangible capital assets</b>	<u>1,013,827</u>	<u><b>3,656,801</b></u>	<u>3,450,017</u>
<b>Revenues related to tangible capital assets</b>			
User fees and charges (Note 16)	8,842,303	<b>4,447,882</b>	1,384,217
Government transfers (Note 17)	3,272,995	<b>1,792,281</b>	2,126,050
Other (Note 18)	603,205	<b>5,552,624</b>	14,440,923
Gain on disposal of tangible capital assets	<u>-</u>	<u><b>55,864</b></u>	<u>178,933</u>
	<u>12,718,503</u>	<u><b>11,848,651</b></u>	<u>18,130,123</u>
<b>Annual surplus</b>	13,732,330	<b>15,505,452</b>	21,580,140
<b>Accumulated surplus (Note 11)</b>			
Beginning of year	<u>158,006,439</u>	<u><b>158,006,439</b></u>	<u>136,426,299</u>
End of year	<u>\$ 171,738,769</u>	<u><b>\$ 173,511,891</b></u>	<u>\$ 158,006,439</u>

See accompanying notes to the consolidated financial statements.

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## City of Thorold

### Consolidated Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2021

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	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
Annual surplus	\$ 13,732,330	\$ 15,505,452	\$ 21,580,140
Amortization of tangible capital assets	5,006,575	5,006,575	4,834,782
Acquisition of tangible capital assets	(27,952,877)	(11,160,285)	(10,205,806)
Contributed tangible capital assets	-	(5,026,748)	(14,175,609)
Proceeds on sale of tangible capital assets	-	253,091	289,463
Gain on disposal of tangible capital assets	-	(55,864)	(178,933)
	(9,213,972)	4,522,221	2,144,037
Usage of inventory and prepaid expenses	-	(76,992)	(22,261)
<b>Increase (decrease) in net financial assets</b>	(9,213,972)	4,445,229	2,121,776
<b>Net financial assets</b>			
Beginning of year	<u>33,051,602</u>	<u>33,051,602</u>	<u>30,929,826</u>
End of year	<u>\$ 23,837,630</u>	<u>\$ 37,496,831</u>	<u>\$ 33,051,602</u>

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See accompanying notes to the consolidated financial statements.

# City of Thorold

## Consolidated Statement of Cash Flows

For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
<b>Increase (decrease) in cash and cash equivalents</b>		
<b>Operating activities</b>		
Annual surplus	\$ 15,505,452	\$ 21,580,140
Non-cash items:		
Amortization of tangible capital assets	5,006,575	4,834,782
Contributed tangible capital assets	(5,026,748)	(14,175,609)
Gain on disposal of tangible capital assets	(55,864)	(178,933)
Changes in:		
Taxes receivable	(745,425)	(382,583)
User charges receivable	(154,549)	(190,089)
Other receivables	(312,530)	(702,942)
Accounts payable and accrued liabilities	5,309,644	3,178,962
Deferred revenue - obligatory reserve funds	4,493,237	3,812,262
Deferred revenue - other	1,554,826	210,368
Employee benefit obligations	104,968	195,343
Landfill liability	(62,924)	489,340
Inventory and prepaid expenses	(76,992)	(22,261)
	<u>25,539,670</u>	<u>18,648,780</u>
<b>Capital activities</b>		
Proceeds from disposal of tangible capital assets	253,091	289,463
Acquisition of tangible capital assets	<u>(11,160,285)</u>	<u>(10,205,806)</u>
	<u>(10,907,194)</u>	<u>(9,916,343)</u>
<b>Financing activities</b>		
Repayment of long term debt	<u>(124,938)</u>	<u>(120,105)</u>
<b>Investing activities</b>		
Purchase of portfolio investments, net	<u>(11,154,879)</u>	<u>2,344,640</u>
<b>Net increase in cash and cash equivalents</b>	<b>3,352,659</b>	<b>10,956,972</b>
<b>Cash and cash equivalents</b>		
Beginning of year	<u>61,546,526</u>	<u>50,589,554</u>
End of year	<u>\$ 64,899,185</u>	<u>\$ 61,546,526</u>

See accompanying notes to the consolidated financial statements.

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 1. Significant accounting policies

#### Management responsibility

The consolidated financial statements of the City of Thorold ("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:

Thorold Public Library Board  
Thorold Business Improvement Area

Interdepartmental and organizational transactions and balances are eliminated.

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statements of Financial Position and Operations (Note 20).

#### (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 temporary investments include cash on hand, balances with banks and guaranteed investment certificates that mature within three months.

#### (d) Portfolio investments

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

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 1. Significant accounting policies (continued)

#### (e) Deferred revenue

Resources restricted by agreement with an external party are recognized as revenue in the entity's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified.

#### (f) Employee future benefits

The Municipality pays certain benefits on behalf of its retired employees. These post-employment costs are recognized in the period in which the employees rendered their services to the Municipality. The actuarial determination of the accrued benefit obligations for pension benefits earned by employees uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors).

#### (g) Contaminated sites liability

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) 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.

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 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.

Amortization is based on the following classifications and useful lives:

<u>Classification</u>	<u>Useful Life</u>
Land improvements	10 to 30 years
Buildings	20 to 50 years
Machinery and equipment	3 to 20 years
Vehicles	7 to 20 years
Infrastructure	5 to 75 years

For non-pooled assets, amortization is charged in the year of acquisition beginning in the month subsequent to asset purchase. For pooled assets, amortization is not charged in the year of acquisition and begins in the year subsequent to asset purchase. 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 and recorded as contributed tangible capital assets at their fair market value at the date of acquisition. The Municipality is not involved in the construction.

#### (j) Inventory

Inventory is recorded at the lower of average cost and net realizable value.

#### (k) Reserves for future expenses

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

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 1. Significant accounting policies (continued)

#### (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 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 received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized and all eligibility criteria have been met.

##### 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) 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 consolidated financial statements.

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 1. Significant accounting policies (continued)

#### (n) Use of estimates

The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Areas in which management make estimates are with regards to an allowance for uncollectible taxes receivable, obligations for employee benefits and the contaminated sites and landfill liabilities.

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### 2. Portfolio investments

	<u>2021</u>	<u>2020</u>
Guaranteed investment certificates	\$ 14,401,176	\$ 1,145,205
Federal, provincial and municipal bonds	<u>6,124,820</u>	<u>8,225,912</u>
	<u>\$ 20,525,996</u>	<u>\$ 9,371,117</u>

Portfolio investments carry an effective interest rate from 0.70% to 3.90% and maturity dates ranging from May, 2022 to June, 2027. Interest is receivable on an annual basis. Portfolio investments reported on the Consolidated Statement of Financial Position have a market value of \$ 20,827,353 (2020 - \$ 9,997,231).

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### 3. Taxes receivable

Property tax billings are prepared by the Municipality based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"). The property tax receivables and tax revenue of the Municipality are subject to measurement uncertainty as a number of appeals submitted by taxpayers have yet to be heard. The Municipality has established an allowance for doubtful accounts in the amount of \$ 2,375,862 (2020 - \$ 2,119,159) and have penalties and interest receivable of \$ 2,334,586 (2020 - \$ 2,157,936).

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

### 4. Deferred revenue - obligatory reserve funds

The following balances are reflected as deferred revenue – obligatory reserve funds as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded:

	<u>2021</u>	<u>2020</u>
Parkland	\$ 388,903	\$ 407,125
Building code	3,452,504	3,075,314
Ontario Sport & Recreation Community grant	9,578	9,578
Ontario Community Infrastructure grant	588,655	261,479
Tree planting	5,307	5,273
Gas tax	1,265,436	632,550
Development charges	20,507,883	17,315,001
Modernization	185,201	255,342
COVID-19 Safe Restart	<u>133,248</u>	<u>81,816</u>
	<u>\$ 26,536,715</u>	<u>\$ 22,043,478</u>

The continuity of deferred revenue – obligatory reserve funds reported on the Consolidated Statement of Financial Position is made up of the following:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ <u>22,043,478</u>	\$ 18,231,216
Contributions from		
Development Charges Act	7,630,560	5,812,593
Interest earned	177,670	205,971
Federal gas tax grant received	1,169,494	570,352
Provincial gas tax grant received	284,514	264,453
Infrastructure grants received	470,298	470,298
COVID-19 Safe Restart grants received	756,372	768,669
Other revenue	<u>524,021</u>	<u>933,978</u>
	<u>11,012,929</u>	<u>9,026,314</u>
Provided from (utilized for)		
Operations	(1,197,357)	(3,809,845)
Tangible capital asset acquisitions	<u>(5,322,335)</u>	<u>(1,404,207)</u>
	<u>(6,519,692)</u>	<u>(5,214,052)</u>
Balance, end of year	<u>\$ 26,536,715</u>	<u>\$ 22,043,478</u>

# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

5. Deferred revenue - other	<u>2021</u>	<u>2020</u>
Prepayment of taxes	\$ 3,331,418	\$ 2,060,989
Other	<u>788,004</u>	<u>503,607</u>
	<u>\$ 4,119,422</u>	<u>\$ 2,564,596</u>

6. Employee benefit obligations	<u>2021</u>	<u>2020</u>
Accrued vacation pay	<u>\$ 447,189</u>	<u>\$ 414,067</u>
Accumulated sick leave	735,091	695,106
Post-employment benefits	<u>949,731</u>	<u>917,870</u>
	<u>1,684,822</u>	<u>1,612,976</u>
	<u>\$ 2,132,011</u>	<u>\$ 2,027,043</u>

**(a) Accrued vacation pay**

As at December 31, 2021, employees of the Municipality have accumulated vacation pay credits in the amount of \$ 447,189 (2020 - \$ 414,067). Any unused credits may be carried forward to the next year.

**(b) Accumulated sick leave and post-employment benefits**

Under the Municipality's sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment. The Municipality pays certain medical and dental benefits for early retirees and life insurance benefits on behalf of its retired employees.

The accrued benefit liability for accumulated sick leave and post-employment benefits as at December 31, 2021 of \$ 1,684,822 (2020 - \$ 1,612,976) was determined by actuarial valuation using a discount rate of 2.7% (2020 - 2.7%). A reserve has been established for the accumulated sick leave liability. The balance as at December 31, 2021 is \$ 1,094,113 (2020 - \$ 1,037,459).

	<u>2021</u>	<u>2020</u>
Accrued benefit obligation		
Beginning of year	\$ 1,612,976	\$ 1,499,738
Current period benefit cost	128,700	94,900
Interest cost	52,500	57,300
Benefit payments	(117,354)	(117,524)
Amortization of actuarial gain (loss)	8,000	(1,400)
Actuarial adjustment	<u>-</u>	<u>79,962</u>
	<u>\$ 1,684,822</u>	<u>\$ 1,612,976</u>

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 6. Employee benefit obligations (continued)

#### (b) Accumulated sick leave and post-employment benefits (continued)

	<u>2021</u>	<u>2020</u>
Funded status		
Deficit	\$ 1,937,922	\$ 1,874,076
Unamortized actuarial gain	<u>(253,100)</u>	<u>(261,100)</u>
	<u>\$ 1,684,822</u>	<u>\$ 1,612,976</u>
The net benefit expense is as follows:		
Current period benefit cost	\$ 128,700	\$ 94,900
Interest cost	52,500	57,300
Amortization of actuarial gain (loss)	<u>8,000</u>	<u>(1,400)</u>
	<u>\$ 189,200</u>	<u>\$ 150,800</u>

During the year \$ 117,534 (2020 - \$ 117,524) was paid to employees who left the Municipality's employment.

The most recent actuarial valuation was prepared as at December 31, 2020. The main actuarial assumptions employed for the valuation are as follows:

General inflation - future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 2.5% per annum.

Salary levels – future general salary and wage levels were assumed to be 3% per annum.

Dental costs – dental costs were assumed to be 4% per annum.

Medical costs – medical costs were assumed to be 5.5% per annum for 2021 grading down 0.5% per annum to a rate of 4% per annum.

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### 7. Landfill liability

The Municipality owns and monitors one closed landfill site. The liability for post-closure care has been recognized based upon monitoring costs included in the 2021 budget and inflation adjusted at 2.2% (2020 - 2.2%) per annum. These costs were then discounted to December 31, 2021 using a discount rate of 4% (2020 - 4%). Post-closure care is estimated to be required for an indefinite period and will be funded by future tax levies.

The liability for post-closure care as at December 31, 2021 is \$ 5,914,545 (2020 - \$ 5,977,469). Additional expenses for post-closure care recorded in 2021 were in the amount of \$ 98,659 (2020 - \$ 608,627) and actual expenses paid during the year were \$ 160,977 (2020 - \$ 119,286).

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

### 8. Contaminated sites liability

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. The Municipality has identified one property where environmental assessments have indicated soil contamination that exceeds current environmental standards.

A contaminated sites liability of \$ 114,700 (2020 - \$ 114,700) has been recorded based on estimated future remediation costs in 2104 of between \$ 900,000 and \$ 1,200,000 using a present value technique at a discount rate of 4.25%.

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.

### 9. Long term debt

2021

2020

- (a) 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 the end of the year, the outstanding principal amount of this debt is

\$ 704,646    \$ 829,584

- (b) The net long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

<u>Debenture Number</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>2021</u>	<u>2020</u>
60-2006	City Hall	5.354%	2026	\$ 213,516	\$ 249,858
129-2011	City Hall	3.43%	2026	<u>491,130</u>	<u>579,726</u>
				<u>\$ 704,646</u>	<u>\$ 829,584</u>

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

2022	\$ 129,974
2023	135,224
2024	140,696
2025	146,401
2026	152,351

- (d) The long term debt in (a) issued in the name of the Municipality was approved by by-law. The annual principal and interest payments required to service this debt are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 9. Long term debt (continued)

(e) Total charges for the year for net long term debt, which are reported on the Consolidated Statement of Operations, are as follows:

	<u>2021</u>	<u>2020</u>
Principal	\$ 124,938	\$ 120,105
Interest	<u>30,973</u>	<u>35,858</u>
	<u>\$ 155,911</u>	<u>\$ 155,963</u>

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### 10. Tangible capital assets

	<u>2021</u>	<u>2020</u>
Net book value		
Land	\$ 3,520,211	\$ 3,520,211
Land improvements	4,548,994	4,529,141
Buildings	12,826,091	12,935,390
Machinery and equipment	3,067,268	2,642,558
Vehicles	<u>2,757,576</u>	<u>2,813,814</u>
	<u>26,720,140</u>	<u>26,441,114</u>
Infrastructure		
Transportation	35,558,667	35,194,765
Storm sewers	11,048,859	10,051,564
Sanitary sewers	31,468,027	30,994,141
Water	<u>21,109,558</u>	<u>20,351,716</u>
	<u>99,185,111</u>	<u>96,592,186</u>
Construction in process	<u>9,742,993</u>	<u>1,631,713</u>
	<u>\$ 135,648,244</u>	<u>\$ 124,665,013</u>

See pages 28 and 29 for more detail.

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

<b>11. Accumulated surplus</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
Operating deficit	\$ (4,340,202)	\$ (4,777,558)
Investment in tangible capital assets (Note 10)	135,648,244	124,665,013
Reserves and reserve funds (Note 12)	51,069,751	47,067,780
Unfunded liabilities (Note 13)	<u>(8,865,902)</u>	<u>(8,948,796)</u>
	<u><b>\$ 173,511,891</b></u>	<u><b>\$ 158,006,439</b></u>

The 2021 operating annual surplus was \$ 1,089,333, which was transferred to the reserve for industrial development and the reserve for municipal development as authorized by Council. Had this transfer not been made, the 2021 operating deficit of the Municipality would have been \$ 3,250,869.

The 2020 operating annual surplus was \$ 1,145,417, which was transferred to the reserve for industrial development and the reserve for municipal development as authorized by Council. Had this transfer not been made, the 2020 operating deficit of the Municipality would have been \$ 3,632,141

<b>12. Reserves and reserve funds</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
Reserves set aside by Council for specific purposes:		
Municipal development	\$ 1,343,437	\$ 1,584,796
Working funds (uncollectible taxes)	510,000	510,000
Equipment replacement	2,863,126	2,131,644
Accumulated sick leave	1,094,113	1,037,459
Computer	228,639	287,436
Contingencies	1,013,985	943,985
Election	70,306	55,306
Sewage capital	6,184,128	5,141,638
Water capital	8,829,964	7,839,934
Insurance deductible	546,358	536,423
Winter control	167,226	117,226
Encumbrances	<u>1,167,273</u>	<u>1,058,399</u>
Total reserves	<u><b>24,018,555</b></u>	<u><b>21,244,246</b></u>

# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

12. Reserves and reserve funds (continued)	<u>2021</u>	<u>2020</u>
Reserve funds set aside by Council for specific purposes:		
Capital assets	\$ 2,019,346	\$ 1,726,389
Transportation asset replacement	4,270,110	3,199,094
Hospital expansion	72,009	47,942
Port Robinson beautification	2,017	2,461
Arena building	184,271	251,874
Library expansion	28,640	28,593
Hydro proceeds	17,124,118	17,124,118
Mausoleum and cemetery improvements	720,341	668,613
Municipal land and building	1,632,970	1,789,408
Niagara Falls bridge	837,135	831,800
Parking	22,604	22,446
Port Robinson transportation	129,052	128,229
Thorold pre-recreation (Mel Swart Park)	6,000	-
Thorold South Community Centre building	2,533	2,517
Darlene Ryan Port Robinson Community Centre	<u>50</u>	<u>50</u>
Total reserve funds	<u>27,051,196</u>	<u>25,823,534</u>
Total reserves and reserve funds	<u>\$ 51,069,751</u>	<u>\$ 47,067,780</u>

The continuity of reserves and reserve funds is made up of the following:

Balance, beginning of year	<u>\$ 47,067,780</u>	<u>\$ 45,108,658</u>
Contributions from		
Investment income	373,489	512,502
User charges	6,007	9,128
Other revenue	<u>297,288</u>	<u>379,522</u>
	<u>676,784</u>	<u>901,152</u>
Provided from (utilized for)		
Operations	3,676,043	4,787,268
Tangible capital asset acquisitions	<u>(350,856)</u>	<u>(3,729,298)</u>
	<u>3,325,187</u>	<u>1,057,970</u>
Balance, end of year	<u>\$ 51,069,751</u>	<u>\$ 47,067,780</u>

# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

<b>13. Unfunded liabilities</b>	<u>2021</u>	<u>2020</u>
Employee benefit obligations (Note 6)	\$ 2,132,011	\$ 2,027,043
Landfill liability (Note 7)	5,914,545	5,977,469
Contaminated sites (Note 8)	114,700	114,700
Long term debt (Note 9)	<u>704,646</u>	<u>829,584</u>
	<b>\$ 8,865,902</b>	<b>\$ 8,948,796</b>

<b>14. Taxation</b>	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
Real property		\$ 46,583,667	\$ 43,193,590
From other governments			
Payments in lieu of taxes		<u>1,087,242</u>	<u>1,104,782</u>
		<b>47,670,909</b>	<b>44,298,372</b>
Less: taxation collected on behalf of (Note 15):			
Region of Niagara		20,238,291	18,482,531
School boards		<u>6,306,509</u>	<u>6,375,427</u>
		<b>26,544,800</b>	<b>24,857,958</b>
Net taxes available for municipal purposes		<b>\$ 21,126,109</b>	<b>\$ 19,440,414</b>
Residential, multi-residential and farm	\$ 16,144,774	\$ 16,920,573	\$ 15,347,714
Commercial and industrial	<u>4,005,504</u>	<u>4,205,536</u>	<u>4,092,700</u>
Net taxes available for municipal purposes	<b>\$ 20,150,278</b>	<b>\$ 21,126,109</b>	<b>\$ 19,440,414</b>

### 15. 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>2021</u>	<u>2020</u>
Region of Niagara	\$ 20,238,291	\$ 18,482,531
School boards	<u>6,306,509</u>	<u>6,375,427</u>
	<b>\$ 26,544,800</b>	<b>\$ 24,857,958</b>

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

# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

16. User charges	Budget 2021	Actual 2021	Actual 2020
<b>Operating</b>			
Fees and service charges	\$ 991,526	\$ 1,029,538	\$ 1,079,375
Water charges	4,438,777	4,655,386	4,545,750
Sewer charges	5,573,979	5,907,963	5,350,711
Licences and permits	1,338,149	1,111,462	893,594
Development charges	152,836	268,455	874,040
	<u>12,495,267</u>	<u>12,972,804</u>	<u>12,743,470</u>
<b>Capital</b>			
Fees and service charges	282,756	134,832	3,038
Development charges	8,559,547	4,313,050	1,381,179
	<u>8,842,303</u>	<u>4,447,882</u>	<u>1,384,217</u>
	<u>\$ 21,337,570</u>	<u>\$ 17,420,686</u>	<u>\$ 14,127,687</u>

17. Government transfers	Budget 2021	Actual 2021	Actual 2020
<b>Operating</b>			
Government of Canada	\$ 22,440	\$ 153,402	\$ 31,504
Province of Ontario	884,600	1,277,424	1,129,892
Municipal	99,000	86,002	148,721
	<u>1,006,040</u>	<u>1,516,828</u>	<u>1,310,117</u>
<b>Capital</b>			
Government of Canada	1,940,240	989,298	1,348,241
Province of Ontario	1,075,105	684,411	678,810
Municipal	257,650	118,572	98,999
	<u>3,272,995</u>	<u>1,792,281</u>	<u>2,126,050</u>
	<u>\$ 4,279,035</u>	<u>\$ 3,309,109</u>	<u>\$ 3,436,167</u>

# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

### 17. Government transfers (continued)

The Municipality recognizes the transfer of government funding as revenues or expenses in the period that the events giving rise to the transfer occurred. The government transfers reported on the Consolidated Statement of Operations are:

	<u>2021</u>	<u>2020</u>
Revenues		
Government of Canada		
Investing in Canada Infrastructure Program	\$ 283,432	\$ -
Cemeteries	-	21,504
Federal gas tax	574,846	1,348,241
Municipal asset management program	18,520	-
Recreation and cultural	-	10,000
Canada summer jobs grant	153,402	-
Canada Community Revitalization Fund	<u>112,500</u>	<u>-</u>
	<u>1,142,700</u>	<u>1,379,745</u>
Province of Ontario		
Ontario Municipal Partnership Fund	58,200	68,400
Ontario Community Infrastructure Fund	146,180	297,965
Hydro One	20,799	26,670
Modernization	142,641	247,094
Main Street revitalization	-	56,512
Ontario Municipal Commuter Cycling	-	83,682
Recreation and cultural	90,828	36,664
Public Transit Infrastructure Fund	241,290	-
Transit - Provincial gas tax	253,000	243,000
Ontario COVID-19 - Safe Restart	525,958	519,800
Ontario COVID-19 - Safe Restart - Transit	180,587	167,053
Investing in Canada Infrastructure Program	226,799	-
Miscellaneous	<u>75,553</u>	<u>61,862</u>
	<u>1,961,835</u>	<u>1,808,702</u>
Municipal		
Provincial Offences Act	20,973	-
Capital grants	118,572	98,999
Port Robinson transportation service	53,997	45,721
Transit	-	100,000
Miscellaneous	<u>11,032</u>	<u>3,000</u>
	<u>204,574</u>	<u>247,720</u>
	<u>\$ 3,309,109</u>	<u>\$ 3,436,167</u>
Expenses		
Charitable and non-profit organizations	<u>\$ 54,154</u>	<u>\$ 42,225</u>

# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

18. Other revenue	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
<b>Operating</b>			
Penalties and interest on taxes	\$ 602,000	\$ 682,221	\$ 605,580
Fines	110,000	227,944	210,376
Investment income	101,000	210,876	225,934
Investment income – reserves and reserve funds	502,564	373,490	512,502
Rental income	81,535	88,536	90,917
Donations	-	5,765	14,648
Transfer from trust funds	<u>27,000</u>	<u>10,678</u>	<u>14,022</u>
	<u>1,424,099</u>	<u>1,599,510</u>	<u>1,673,979</u>
<b>Capital</b>			
Contributed tangible capital assets	-	5,026,748	14,175,609
Donations	-	25,000	-
Other	<u>603,205</u>	<u>500,876</u>	<u>265,314</u>
	<u>603,205</u>	<u>5,552,624</u>	<u>14,440,923</u>
	<u>\$ 2,027,304</u>	<u>\$ 7,152,134</u>	<u>\$ 16,114,902</u>

### 19. 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 \$ 70 million (2020 - \$ 7.7 billion deficit) based on the fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipal entities and their employees. Contributions were made in the 2021 calendar year at rates ranging from 9.0% to 15.8% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the Consolidated Statement of Operations. Employer contributions to OMERS for 2021 current and past service was \$ 905,684 (2020 - \$ 837,580) and were matched by employee contributions in a similar amount.

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 20. Trust funds

Trust funds administered by the Municipality amounting to \$ 1,437,229 (2020 - \$ 1,411,407) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

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### 21. Contingencies

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

The Municipality passed its new Development Charges Bylaw in 2019. An appeal has been launched to LPAT about the inclusion of various projects in the calculations. The full development charges are collected, and should the appeal be successful, refunds will be made, in accordance with the Development Charges Act, for the portion of the funds relating to the projects deemed ineligible.

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### 22. Commitments

#### Capital expenses

The estimated future capital expense commitments based on projects in progress at December 31, 2021 is approximately \$ 7,517,578 (2020 - \$ 11,233,424). These projects will be financed by grants, subsidies and long term liabilities in future years.

#### Transit services

The Municipality has a letter of agreement for transit services with St. Catharines Transit beginning on January 1, 2021. The Municipality's charges for the year are determined using the forecasted expenses less the actual revenues generated for the previous year for two of the routes serviced by this agreement. For a third route, paratransit and shuttle services, the Municipality will be charged the actual hourly or per trip rates paid by St. Catharines Transit to a sub-contractor. The fee is also impacted by any service changes made. The contract expires on December 31, 2022.

#### Leases

The Municipality has commitments for operating leases for office equipment and certain premises with various expiry dates up to 2027. The approximate total commitment for each of the next five years is as follows:

2022	\$ 12,663
2023	12,663
2024	12,146
2025	8,805
2026	455

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 22. Commitments (continued)

#### Tax increment based grants

The Municipality has commitments for tax increment based grants with various expiry dates up to 2035. There are currently eleven signed agreements with a term spanning ten years each. At December 31, 2021, the total amount remaining to be paid from these agreements is \$ 5,377,988 with the total commitment for each of the next five years as follows:

2022	\$ 308,103
2023	366,525
2024	362,461
2025	358,312
2026	556,170

#### Hospital

The Municipality has an agreement with the Niagara Health System to contribute funding for a new hospital in the amount of \$ 4.3 million, on a net present value basis with a discount rate of 5%. The contributions will be made over a sixteen year period commencing with the first payment of \$ 1,206,860 in 2011, followed by payments of \$ 298,000 per year for the remaining fifteen years up to and including 2026. The contributions are being funded from taxes with an annual levy of approximately \$ 298,000 which commenced in 2008.

#### Canada Summer Games

In 2021, the City entered into a Consortium and Co-tenancy Agreement and a Legacy Lease Agreement for the Canada Summer Games Park located on lands owned by Brock University. The City will have a 25% ownership in the leasehold interest as a tenant in common in the facility, along with Brock University, the City of St. Catharines and the Region of Niagara, for the duration of the forty year lease period. The capital contribution for the City will be \$ 5 million up front and 25% of the annual life cycle cost requirements. In addition, the City will be responsible for one-third of the operation of the facility for the lease period with a financial commitment for its share of the net operating costs over the life of the lease term.

#### Thorold Community Activities Group

The City entered into a Fee for Service agreement with the Thorold Community Activities Group to provide recreation and leisure programming from January 1, 2021 until December 31, 2025. The City will pay a fixed fee amount for the service starting at \$ 25,000 in 2021 with an increase of 2% per year, with a payment incentive to be paid based on report revenues to a maximum of \$ 35,000 in 2021. The City will provide in kind contributions of access to the municipal pool and parks.

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 23. 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.

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### 24. Comparative figures

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

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### 25. Budget

The budget bylaw adopted by Council on February 3, 2021 was not prepared on a basis consistent with that used to report actual results in accordance with Canadian public sector accounting standards. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. As a result, the budget figures presented in the Consolidated Statement of Operations and Consolidated Statement of Changes in Net Financial Assets represent the budget adopted by Council with the following adjustments:

Budgeted annual surplus (deficit)	\$	-
Add:		
Principal repayments of long term debt		116,750
Reserves and reserve funds interest revenue		502,564
Reserves and reserve funds other revenue		20,000
Acquisition of tangible capital assets		27,952,877
Less:		
Transfers from reserves and reserve funds, net		(9,853,286)
Amortization of tangible capital assets		<u>(5,006,575)</u>
Budgeted surplus per Consolidated Statement of Operations	\$	<u>13,732,330</u>

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 26. Impacts of COVID-19

The outbreak of a novel strain of coronavirus (“COVID-19”) was declared a global pandemic by the World Health Organization in March, 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Municipality had to limit activity during its fiscal year due to the COVID-19 pandemic, however it has not identified any related events which occurred during its fiscal year or were determined to be subsequent events that had a significant impact on the financial position and results of operations as of and for the year ended December 31, 2021.

It is not possible to reliably estimate the duration and severity of the consequences of COVID-19, as well as the impact on the financial position and results of the Municipality for future periods.

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# City of Thorold

## Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

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### 27. 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.

#### **Social and family services**

Social and family services department is responsible for providing grants to external agencies.

#### **Recreation and culture services**

Recreation and culture services department is responsible for the delivery and upkeep of all recreation programs and facilities including arena, recreation complex, parks and library.

#### **Planning and development**

Planning and development is responsible for providing planning and zoning advice to the residents of the Municipality and construction and maintenance of municipal drains.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1. The consolidated schedules of segment disclosure and the schedules of segment disclosure with budget information follow the notes.

# City of Thorold

## Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2021

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Construction in Process</u>	<u>2021</u>
<b>Cost</b>								
Beginning of year	\$ 3,520,211	\$ 12,387,556	\$ 23,084,119	\$ 6,335,442	\$ 6,610,781	\$ 147,052,009	\$ 1,631,713	\$ 200,621,831
Additions	-	446,849	535,393	1,096,373	317,197	5,679,941	8,253,720	16,329,473
Disposals	-	-	(51,829)	(676,362)	(48,203)	(361,104)	(142,440)	(1,279,938)
End of year	<u>3,520,211</u>	<u>12,834,405</u>	<u>23,567,683</u>	<u>6,755,453</u>	<u>6,879,775</u>	<u>152,370,846</u>	<u>9,742,993</u>	<u>215,671,366</u>
<b>Accumulated amortization</b>								
Beginning of year	-	7,858,415	10,148,729	3,692,884	3,796,967	50,459,823	-	75,956,818
Amortization	-	426,996	631,581	619,790	373,435	2,954,773	-	5,006,575
Amortization on disposals	-	-	(38,718)	(624,489)	(48,203)	(228,861)	-	(940,271)
End of year	-	<u>8,285,411</u>	<u>10,741,592</u>	<u>3,688,185</u>	<u>4,122,199</u>	<u>53,185,735</u>	-	<u>80,023,122</u>
<b>Net book value</b>	<u>\$ 3,520,211</u>	<u>\$ 4,548,994</u>	<u>\$ 12,826,091</u>	<u>\$ 3,067,268</u>	<u>\$ 2,757,576</u>	<u>\$ 99,185,111</u>	<u>\$ 9,742,993</u>	<u>\$ 135,648,244</u>

The value of contributed tangible capital assets during the year is \$ 5,026,748.

# City of Thorold

## Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2020

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Construction in Process</u>	<u>2020</u>
<b>Cost</b>								
Beginning of year	\$ 2,202,470	\$ 11,346,172	\$ 22,475,902	\$ 5,694,936	\$ 6,639,774	\$ 125,867,832	\$ 3,554,146	\$ 177,781,232
Additions	1,317,741	1,066,381	813,970	1,071,340	326,962	21,707,454	6,009,916	32,313,764
Disposals	-	(24,997)	(205,753)	(430,834)	(355,955)	(523,277)	(7,932,349)	(9,473,165)
End of year	<u>3,520,211</u>	<u>12,387,556</u>	<u>23,084,119</u>	<u>6,335,442</u>	<u>6,610,781</u>	<u>147,052,009</u>	<u>1,631,713</u>	<u>200,621,831</u>
<b>Accumulated amortization</b>								
Beginning of year	-	7,453,274	9,708,235	3,559,573	3,744,214	48,087,026	-	72,552,322
Amortization	-	428,195	624,561	563,813	405,558	2,812,655	-	4,834,782
Amortization on disposals	-	(23,054)	(184,067)	(430,502)	(352,805)	(439,858)	-	(1,430,286)
End of year	-	<u>7,858,415</u>	<u>10,148,729</u>	<u>3,692,884</u>	<u>3,796,967</u>	<u>50,459,823</u>	-	<u>75,956,818</u>
<b>Net book value</b>	<u>\$ 3,520,211</u>	<u>\$ 4,529,141</u>	<u>\$ 12,935,390</u>	<u>\$ 2,642,558</u>	<u>\$ 2,813,814</u>	<u>\$ 96,592,186</u>	<u>\$ 1,631,713</u>	<u>\$ 124,665,013</u>

The value of contributed tangible capital assets during the year is \$ 14,175,609.

# City of Thorold

## Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2021

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	<u>2021</u>
<b>Revenues</b>									
Taxation	\$ 3,529,908	\$ 4,974,787	\$ 5,401,812	\$ 1,437,744	\$ 1,061,127	\$ 239,206	\$ 3,514,156	\$ 967,369	\$ 21,126,109
User charges	158,407	1,702,044	554,731	10,546,370	134,858	4,400	4,089,328	230,548	17,420,686
Government transfers	149,546	589,149	1,665,085	20,994	87,717	46,078	742,508	8,032	3,309,109
Other	1,307,608	137,988	1,971,500	3,348,862	22,556	5,707	357,913	-	7,152,134
Gain (loss) on disposal of tangible capital assets	<u>157,555</u>	<u>-</u>	<u>(132,241)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,550</u>	<u>-</u>	<u>55,864</u>
	<u>5,303,024</u>	<u>7,403,968</u>	<u>9,460,887</u>	<u>15,353,970</u>	<u>1,306,258</u>	<u>295,391</u>	<u>8,734,455</u>	<u>1,205,949</u>	<u>49,063,902</u>
<b>Expenses</b>									
Wages and benefits	1,078,308	5,231,923	2,303,253	1,382,659	638,526	52,806	1,961,059	691,288	13,339,822
Operating materials and supplies	295,910	564,989	911,709	286,292	192,069	34,352	917,970	64,953	3,268,244
Contracted services	101,848	557,346	1,507,240	8,152,941	59,294	5,740	259,334	89,595	10,733,338
Rents and financial expenses	36,229	64,730	95,528	134,736	13,122	910	39,459	11,478	396,192
External transfers to others	-	-	208,549	-	298,000	-	54,154	222,603	783,306
Amortization	335,196	383,752	1,979,417	1,347,894	127,624	130,669	696,788	5,235	5,006,575
Debt service	<u>30,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,973</u>
	<u>1,878,464</u>	<u>6,802,740</u>	<u>7,005,696</u>	<u>11,304,522</u>	<u>1,328,635</u>	<u>224,477</u>	<u>3,928,764</u>	<u>1,085,152</u>	<u>33,558,450</u>
<b>Annual surplus (deficit)</b>	<u>\$ 3,424,560</u>	<u>\$ 601,228</u>	<u>\$ 2,455,191</u>	<u>\$ 4,049,448</u>	<u>\$ (22,377)</u>	<u>\$ 70,914</u>	<u>\$ 4,805,691</u>	<u>\$ 120,797</u>	<u>\$ 15,505,452</u>

# City of Thorold

## Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2020

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2020
<b>Revenues</b>									
Taxation	\$ 3,576,517	\$ 4,538,199	\$ 5,002,050	\$ 1,393,074	\$ 1,010,556	\$ 230,134	\$ 2,903,221	\$ 786,663	\$ 19,440,414
User charges	235,464	2,505,757	450,431	10,074,806	129,938	975	381,775	348,541	14,127,687
Government transfers	289,620	546,523	2,444,172	-	66,488	42,700	42,428	4,236	3,436,167
Other	1,348,795	127,712	6,912,404	7,404,993	20,572	8,190	292,176	60	16,114,902
Gain (loss) on disposal of tangible capital assets	<u>179,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(332)</u>	<u>-</u>	<u>178,933</u>
	<u>5,629,661</u>	<u>7,718,191</u>	<u>14,809,057</u>	<u>18,872,873</u>	<u>1,227,554</u>	<u>281,999</u>	<u>3,619,268</u>	<u>1,139,500</u>	<u>53,298,103</u>
<b>Expenses</b>									
Wages and benefits	1,043,626	4,807,598	2,004,268	1,285,660	706,659	44,045	1,636,720	581,501	12,110,077
Operating materials and supplies	236,371	542,297	903,732	123,077	156,674	35,269	819,811	24,988	2,842,219
Contracted services	161,742	456,183	974,538	8,312,504	(26,903)	15,683	144,223	220,637	10,258,607
Rents and financial expenses	47,576	111,541	112,150	207,771	22,027	1,702	63,887	18,183	584,837
External transfers to others	135,000	-	342,300	121,154	298,000	-	42,225	112,904	1,051,583
Amortization	303,923	382,914	1,901,197	1,272,969	134,042	130,436	701,980	7,321	4,834,782
Debt service	<u>35,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,858</u>
	<u>1,964,096</u>	<u>6,300,533</u>	<u>6,238,185</u>	<u>11,323,135</u>	<u>1,290,499</u>	<u>227,135</u>	<u>3,408,846</u>	<u>965,534</u>	<u>31,717,963</u>
<b>Annual surplus (deficit)</b>	<u>\$ 3,665,565</u>	<u>\$ 1,417,658</u>	<u>\$ 8,570,872</u>	<u>\$ 7,549,738</u>	<u>\$ (62,945)</u>	<u>\$ 54,864</u>	<u>\$ 210,422</u>	<u>\$ 173,966</u>	<u>\$ 21,580,140</u>

# City of Thorold

## Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2021

<b>General government</b>	Budget <u>2021</u>	<b>Actual</b> <u>2021</u>	Actual <u>2020</u>
<b>Revenues</b>			
Taxation	\$ 3,374,742	\$ <b>3,529,908</b>	\$ 3,576,517
User charges	107,525	<b>158,407</b>	235,464
Government transfers	361,494	<b>149,546</b>	289,620
Other	1,231,070	<b>1,307,608</b>	1,348,795
Gain on disposal of tangible capital assets	-	<b>157,555</b>	179,265
	<u>5,074,831</u>	<u><b>5,303,024</b></u>	<u>5,629,661</u>
<b>Expenses</b>			
Wages and benefits	1,083,696	<b>1,078,308</b>	1,043,626
Operating materials and supplies	374,114	<b>295,910</b>	236,371
Contracted services	155,611	<b>101,848</b>	161,742
Rents and financial expenses	28,847	<b>36,229</b>	47,576
External transfers to others	-	-	135,000
Amortization	335,196	<b>335,196</b>	303,923
Debt service	50,220	<b>30,973</b>	35,858
	<u>2,027,684</u>	<u><b>1,878,464</b></u>	<u>1,964,096</u>
<b>Annual surplus</b>	<u>\$ 3,047,147</u>	<u>\$ <b>3,424,560</b></u>	<u>\$ 3,665,565</u>

<b>Protection to persons and property</b>	Budget <u>2021</u>	<b>Actual</b> <u>2021</u>	Actual <u>2020</u>
<b>Revenues</b>			
Taxation	\$ 4,756,089	\$ <b>4,974,787</b>	\$ 4,538,199
User charges	2,148,820	<b>1,702,044</b>	2,505,757
Government transfers	407,866	<b>589,149</b>	546,523
Other	19,200	<b>137,988</b>	127,712
	<u>7,331,975</u>	<u><b>7,403,968</b></u>	<u>7,718,191</u>
<b>Expenses</b>			
Wages and benefits	5,104,260	<b>5,231,923</b>	4,807,598
Operating materials and supplies	736,777	<b>564,989</b>	542,297
Contracted services	411,172	<b>557,346</b>	456,183
Rents and financial expenses	19,758	<b>64,730</b>	111,541
Amortization	383,752	<b>383,752</b>	382,914
	<u>6,655,719</u>	<u><b>6,802,740</b></u>	<u>6,300,533</u>
<b>Annual surplus</b>	<u>\$ 676,256</u>	<u>\$ <b>601,228</b></u>	<u>\$ 1,417,658</u>

# City of Thorold

## Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2021

<b>Transportation services</b>	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
<b>Revenues</b>			
Taxation	\$ 5,164,341	\$ 5,401,812	\$ 5,002,050
User charges	4,026,664	554,731	450,431
Government transfers	2,478,124	1,665,085	2,444,172
Other	319,776	1,971,500	6,912,404
Loss on disposal of tangible capital assets	-	(132,241)	-
	<u>11,988,905</u>	<u>9,460,887</u>	<u>14,809,057</u>
<b>Expenses</b>			
Wages and benefits	2,150,073	2,303,253	2,004,268
Operating materials and supplies	1,128,275	911,709	903,732
Contracted services	1,455,253	1,507,240	974,538
Rents and financial expenses	42,638	95,528	112,150
External transfers to others	41,466	208,549	342,300
Amortization	1,979,417	1,979,417	1,901,197
	<u>6,797,122</u>	<u>7,005,696</u>	<u>6,238,185</u>
<b>Annual surplus</b>	<u>\$ 5,191,783</u>	<u>\$ 2,455,191</u>	<u>\$ 8,570,872</u>

<b>Environmental services</b>	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
<b>Revenues</b>			
Taxation	\$ 1,337,413	\$ 1,437,744	\$ 1,393,074
User charges	10,088,756	10,546,370	10,074,806
Government transfers	196,300	20,994	-
Other	-	3,348,862	7,404,993
	<u>11,622,469</u>	<u>15,353,970</u>	<u>18,872,873</u>
<b>Expenses</b>			
Wages and benefits	1,584,757	1,382,659	1,285,660
Operating materials and supplies	380,935	286,292	123,077
Contracted services	7,961,710	8,152,941	8,312,504
Rents and financial expenses	11,830	134,736	207,771
External transfers to others	16,000	-	121,154
Amortization	1,347,894	1,347,894	1,272,969
	<u>11,303,126</u>	<u>11,304,522</u>	<u>11,323,135</u>
<b>Annual surplus</b>	<u>\$ 319,343</u>	<u>\$ 4,049,448</u>	<u>\$ 7,549,738</u>

# City of Thorold

## Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2021

<b>Health services</b>	Budget <u>2021</u>	<b>Actual</b> <u>2021</u>	Actual <u>2020</u>
<b>Revenues</b>			
Taxation	\$ 1,004,493	\$ 1,061,127	\$ 1,010,556
User charges	82,047	134,858	129,938
Government transfers	117,951	87,717	66,488
Other	32,016	22,556	20,572
	<u>1,236,507</u>	<u>1,306,258</u>	<u>1,227,554</u>
<b>Expenses</b>			
Wages and benefits	710,914	638,526	706,659
Operating materials and supplies	195,535	192,069	156,674
Contracted services	45,824	59,294	(26,903)
Rents and financial expenses	3,548	13,122	22,027
External transfers to others	298,000	298,000	298,000
Amortization	127,624	127,624	134,042
	<u>1,381,445</u>	<u>1,328,635</u>	<u>1,290,499</u>
<b>Annual deficit</b>	\$ (144,938)	\$ (22,377)	\$ (62,945)

<b>Social and family services</b>	Budget <u>2021</u>	<b>Actual</b> <u>2021</u>	Actual <u>2020</u>
<b>Revenues</b>			
Taxation	\$ 228,690	\$ 239,206	\$ 230,134
User charges	-	4,400	975
Government transfers	39,000	46,078	42,700
Other	7,000	5,707	8,190
	<u>274,690</u>	<u>295,391</u>	<u>281,999</u>
<b>Expenses</b>			
Wages and benefits	54,755	52,806	44,045
Operating materials and supplies	60,955	34,352	35,269
Contracted services	5,846	5,740	15,683
Rents and financial expenses	111	910	1,702
Amortization	130,669	130,669	130,436
	<u>252,336</u>	<u>224,477</u>	<u>227,135</u>
<b>Annual surplus</b>	\$ 22,354	\$ 70,914	\$ 54,864

# City of Thorold

## Consolidated Schedule of Segment Disclosure with Budget Information

For the Year Ended December 31, 2021

Recreation and cultural services	Budget 2021	Actual 2021	Actual 2020
<b>Revenues</b>			
Taxation	\$ 3,359,669	\$ 3,514,156	\$ 2,903,221
User charges	4,653,971	4,089,328	381,775
Government transfers	668,300	742,508	42,428
Other	401,243	357,913	292,176
Gain (loss) on disposal of tangible capital assets	-	30,550	(332)
	<u>9,083,183</u>	<u>8,734,455</u>	<u>3,619,268</u>
<b>Expenses</b>			
Wages and benefits	2,108,173	1,961,059	1,636,720
Operating materials and supplies	1,087,982	917,970	819,811
Contracted services	152,134	259,334	144,223
Rents and financial expenses	15,957	39,459	63,887
External transfers to others	86,582	54,154	42,225
Amortization	696,788	696,788	701,980
	<u>4,147,616</u>	<u>3,928,764</u>	<u>3,408,846</u>
<b>Annual surplus</b>	<u>\$ 4,935,567</u>	<u>\$ 4,805,691</u>	<u>\$ 210,422</u>

Planning and development	Budget 2021	Actual 2021	Actual 2020
<b>Revenues</b>			
Taxation	\$ 924,841	\$ 967,369	\$ 786,663
User charges	229,787	230,548	348,541
Government transfers	10,000	8,032	4,236
Other	17,000	-	60
	<u>1,181,628</u>	<u>1,205,949</u>	<u>1,139,500</u>
<b>Expenses</b>			
Wages and benefits	850,281	691,288	581,501
Operating materials and supplies	117,279	64,953	24,988
Contracted services	217,488	89,595	220,637
Rents and financial expenses	4,591	11,478	18,183
External transfers to others	301,935	222,603	112,904
Amortization	5,235	5,235	7,321
	<u>1,496,809</u>	<u>1,085,152</u>	<u>965,534</u>
<b>Annual surplus (deficit)</b>	<u>\$ (315,181)</u>	<u>\$ 120,797</u>	<u>\$ 173,966</u>

## Independent auditor's report

### **To the Members of Council, Inhabitants and Taxpayers of the Corporation of the City of Thorold**

#### **Opinion**

We have audited the financial statements of the Trust Funds of the Corporation of the City of Thorold ("the Funds"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Trust Funds of the Corporation of the City of Thorold as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 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 Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' 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 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 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.

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

*Grant Thornton LLP*

Port Colborne, Canada  
August 2, 2022

Chartered Professional Accountants  
Licensed Public Accountants

**City of Thorold**  
**Trust Funds**  
**Statement of Financial Position**

As at December 31, 2021

	<u>Cemetery Care and Maintenance</u>	<u>Mausoleum Care and Maintenance</u>	<u>Monument and Marker Care</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 77,528	\$ 31,124	\$ 105,351	\$ 214,003	\$ 1,388,181
Accounts receivable	-	11,564	-	11,564	23,226
Due from City of Thorold	-	11,662	-	11,662	-
Portfolio investments (Note 2)	<u>400,000</u>	<u>800,000</u>	<u>-</u>	<u>1,200,000</u>	<u>-</u>
<b>Net assets</b>	<u>\$ 477,528</u>	<u>\$ 854,350</u>	<u>\$ 105,351</u>	<u>\$ 1,437,229</u>	<u>\$ 1,411,407</u>

Impacts of COVID-19 (Note 3)

See accompanying notes to the financial statements

**City of Thorold**  
**Trust Funds**  
**Statement of Operations and Changes in Net Assets**

For the Year Ended December 31, 2021

	<u>Cemetery Care and Maintenance</u>	<u>Mausoleum Care and Maintenance</u>	<u>Monument and Marker Care</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>					
Marker fees	\$ -	\$ -	\$ 2,800	\$ <b>2,800</b>	\$ 1,450
Sales of crypts and niches	-	9,588	-	<b>9,588</b>	20,201
Sales of plots	13,434	-	-	<b>13,434</b>	8,361
Interest	<u>3,586</u>	<u>6,364</u>	<u>728</u>	<b><u>10,678</u></b>	<u>14,021</u>
	17,020	15,952	3,528	<b>36,500</b>	44,033
<b>Expenses</b>					
Interest earned distributed to the City of Thorold	<u>3,586</u>	<u>6,364</u>	<u>728</u>	<b><u>10,678</u></b>	<u>14,021</u>
<b>Excess of revenues over expenses</b>	13,434	9,588	2,800	<b>25,822</b>	30,012
<b>Net assets</b>					
Beginning of year	<u>464,094</u>	<u>844,762</u>	<u>102,551</u>	<b><u>1,411,407</u></b>	<u>1,381,395</u>
End of year	<u>\$ 477,528</u>	<u>\$ 854,350</u>	<u>\$ 105,351</u>	<b><u>\$ 1,437,229</u></b>	<u>\$ 1,411,407</u>

See accompanying notes to the financial statements

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**City of Thorold**  
**Trust Funds**  
**Statement of Cash Flows**

For the Year Ended December 31, 2021

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	<u>2021</u>	<u>2020</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 25,822	\$ 30,012
Decrease (increase) in accounts receivable	<u>-</u>	<u>320</u>
	<u>25,822</u>	<u>30,332</u>
<b>Investing activities</b>		
Increase in investments - net	<u>(1,200,000)</u>	<u>-</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,174,178)</b>	<b>30,332</b>
<b>Cash and cash equivalents</b>		
Beginning of year	<u>1,388,181</u>	<u>1,357,849</u>
End of year	<u>\$ 214,003</u>	<u>\$ 1,388,181</u>

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See accompanying notes to the financial statements

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# City of Thorold

## Trust Funds

### Notes to the Financial Statements

For the Year Ended December 31, 2021

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#### 1. Summary of significant accounting policies

##### Management responsibility

The financial statements are the responsibility of and prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

##### (a) Basis of accounting

- (i) Sources of revenue and expenses are reported on the accrual basis of accounting.
- (ii) 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.

##### (b) 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.

##### (c) Portfolio investments

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

##### (d) Financial instruments

###### *Initial measurement*

The Trust Funds' financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

###### *Subsequent measurement*

At each reporting date, the Trust Funds measure their financial assets and liabilities at cost. The financial instruments measured at cost are cash investments, interest receivable and due from revenue fund.

For financial assets measured at cost, the Trust Funds regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Trust Funds determine that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

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#### 2. Portfolio investments

Portfolio investments consist of guaranteed investment certificates with an interest rate of 1.52% maturing in August, 2026. Portfolio investments have an estimated market value of \$ 1,206,446.

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# City of Thorold

## Trust Funds

### Notes to the Financial Statements

For the Year Ended December 31, 2021

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#### 3. Impacts of COVID-19

The outbreak of a novel strain of coronavirus (“COVID-19”) was declared a global pandemic by the World Health Organization in March, 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Trust Funds have not identified any events related to the COVID-19 pandemic which occurred during its fiscal year or were determined to be subsequent events, and therefore there has been no impact on the financial position and results of operations as of and for the year ended December 31, 2021.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as the impact on the financial position and results of the Trust Funds for future periods

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