

Consolidated Financial Statements of

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

December 31, 2024

CONTENTS

	<u>Page</u>
The Corporation of the Township of West Lincoln	
Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditor's Report	2
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations and Accumulated Surplus	6
Consolidated Statement of Changes in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Consolidated Schedule of Tangible Capital Assets	29
Consolidated Schedule of Segment Disclosure	31
The Corporation of the Township of West Lincoln - Trust Funds	
Independent Auditor's Report	33
Statement of Financial Position & Statement of Operations and Accumulated Surplus	36
Notes to the Financial Statements	37

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.

Truper McBride

Chief Administrative Officer

Katelyn Repovs

Director, Corporate Services / Chief
Financial Officer



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the consolidated statement of financial position as at December 31, 2024
- 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, 2024, and its consolidated results of operations, its consolidated remeasurement of gains and losses, its consolidated changes in net debt 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.



Page 2

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.



Page 3

- 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 Township'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 Township's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

October 28, 2025

The Corporation of the Township of West Lincoln

Consolidated Statement of Financial Position

As At December 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents (Note 3)	\$ 11,853,025	\$ 7,243,028
Portfolio investments (Note 4)	15,072,588	17,168,799
Taxes receivable	2,974,483	2,443,449
User charges receivable	921,415	836,579
Accounts receivable	531,702	1,251,867
Long term receivables	178,880	72,300
Investment in subsidiary (Note 5)	8,356,977	8,190,921
	39,889,070	37,206,943
Liabilities		
Accounts payable and accrued liabilities	3,583,378	4,329,650
Other liabilities	2,303,614	2,317,137
Due to trust funds (Note 19)	284,712	279,172
Deferred revenue (Note 6)	5,514,354	4,934,402
Long term debt (Note 8)	21,114,566	19,299,526
Liability for contaminated site (Note 9)	1,055,249	1,015,395
Employee future benefit obligations (Note 10)	1,084,229	1,064,350
	34,940,102	33,239,632
Net financial assets	4,948,968	3,967,311
Non-financial assets		
Tangible capital assets (Pages 29 and 30)	101,666,036	101,603,572
Inventory	15,285	17,751
Prepaid expenses	245,916	244,210
	101,927,237	101,865,533
Accumulated surplus (Note 11)	\$ 106,876,205	\$ 105,832,844
Contingencies (Note 20)		
Approved by		
Truper McBride		Katelyn Repovs
Chief Administrative Officer		Director, Corporate Services / Chief Financial Officer

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, 2024

	Budget 2024	Actual 2024	Actual 2023
(Note 23)			
Revenues			
Taxation (Note 13)	\$ 10,900,430	\$ 11,007,175	\$ 10,285,033
User charges (Note 15)	6,182,390	6,339,040	6,034,524
Government transfers (Note 16)	1,107,363	1,130,778	1,272,459
Other (Note 17)	1,127,290	2,166,565	1,999,683
	<u>19,317,473</u>	<u>20,643,558</u>	<u>19,591,699</u>
Expenses			
General government	4,395,265	3,365,960	2,972,630
Protection to persons and property	2,369,556	2,230,282	2,027,367
Transportation services	5,125,043	5,050,860	4,525,202
Environmental services	5,011,635	4,962,425	5,027,992
Health services	137,497	80,729	111,703
Recreation and cultural services	3,014,494	4,237,843	4,075,881
Planning and development	934,692	1,003,197	1,103,305
	<u>20,988,182</u>	<u>20,931,296</u>	<u>19,844,080</u>
Net expense before other	<u>(1,670,709)</u>	<u>(287,738)</u>	<u>(252,381)</u>
Other			
Revenue related to tangible capital assets			
User charges (Note 15)	2,556,500	108,627	1,276,918
Government transfers (Note 16)	1,530,000	1,050,049	1,933,508
Other (Note 17)	1,550	96,997	103,145
Contributed tangible capital assets	-	440,262	2,927,836
Loss on disposal of tangible capital assets	-	(530,892)	(107,024)
Change in equity of subsidiary (Note 5)	-	166,056	202,150
	<u>4,088,050</u>	<u>1,331,099</u>	<u>6,336,533</u>
Annual surplus	<u>2,417,341</u>	<u>1,043,361</u>	<u>6,084,152</u>
Accumulated surplus (Note 11)			
Beginning of year	105,832,844	105,832,844	99,748,692
End of year	<u>\$ 108,250,185</u>	<u>\$ 106,876,205</u>	<u>\$ 105,832,844</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, 2024

	Budget 2024	Actual 2024	Actual 2023
	(Note 23)		
Annual surplus	\$ 2,417,343	\$ 1,043,361	\$ 6,084,152
Amortization of tangible capital assets	3,819,830	3,819,831	3,421,630
Acquisition of tangible capital assets	(9,771,500)	(4,443,249)	(11,559,041)
Loss on disposal of tangible capital assets	-	530,892	107,024
Proceeds from sale of tangible capital assets	-	30,062	95,492
	(3,534,327)	980,897	(1,850,743)
Use of inventory	-	2,466	7,454
Acquisition of prepaid expenses	-	(1,706)	(20,173)
Change in net financial assets	(3,534,327)	981,657	(1,863,462)
Net financial assets			
Beginning of year	3,967,311	3,967,311	5,830,773
End of year	\$ 432,984	\$ 4,948,968	\$ 3,967,311

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, 2024

	2024	2023
Operating activities		
Annual surplus	\$ 1,043,361	\$ 6,084,152
Non-cash items		
Amortization of tangible capital assets	3,819,831	3,421,630
Loss on disposal of tangible capital assets	530,892	107,024
Increase in taxes receivable	(531,034)	(95,716)
Increase in user charges receivable	(84,836)	(11,391)
Decrease in accounts receivable	720,165	168,963
(Decrease) increase in accounts payable and accrued liabilities	(746,272)	586,729
Decrease in other liabilities	(13,523)	(142,124)
Increase in due to trust funds	5,540	7,209
Increase (decrease) in deferred revenue	579,952	(1,332,298)
Increase in liability for contaminated site	39,854	69,495
Increase in employee benefit obligations	19,879	21,380
Decrease in inventory	2,466	7,454
Increase in prepaid expenses	(1,706)	(20,173)
	5,384,569	8,872,334
Capital activities		
Proceeds from sale of tangible capital assets	30,062	95,492
Acquisition of tangible capital assets	(4,443,249)	(11,559,041)
	(4,413,187)	(11,463,549)
Investing activities		
Decrease (increase) in portfolio investments	2,096,211	(4,333,445)
Increase in investment in subsidiary	(166,056)	(202,150)
Increase in long term receivables	(106,580)	(25,249)
	1,823,575	(4,560,844)
Financing activities		
Issuance of long term debt	2,670,950	2,672,600
Payment of long term debt	(855,910)	(722,280)
	1,815,040	1,950,320
Net change in cash and cash equivalents	4,609,997	(5,201,739)
Cash and cash equivalents		
Beginning of year	7,243,028	12,444,767
End of year	\$ 11,853,025	\$ 7,243,028

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, 2024

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.

Peninsula West Power 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 5). 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 19).

(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 or fair value depending on the nature of the instrument.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

1. Significant accounting policies (continued)

(c) Financial instruments (continued)

i) Measurement (continued)

Financial assets measured at amortized cost include cash and cash equivalents, portfolio investments (excluding derivatives or equity instruments quoted in an active market), 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

The Municipality's portfolio investments, which exclude derivatives or equity instruments quoted in an active market, are valued at amortized cost.

Investments are carried at amortized cost or fair value depending on the nature of the financial instrument. Discounts and premiums arising on the purchase of investments carried at cost are amortized over the term of the investments. Unrealized gains and losses from investments carried at fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gains or losses are reclassified from the Consolidated Statement of Remeasurement Gains and Losses and recognized in the Consolidated Statement of Operations and Accumulated Surplus. When there has been a loss in value that is other than a temporary decline in market value, the respective investment is written down to recognize the loss.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

1. Significant accounting policies (continued)

(e) Portfolio investments (continued)

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the reliability of the data used to determine fair value, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities, either directly (ie. as prices) or indirectly (ie. derived from prices); and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

The fair value hierarchy requires the use of observable data from the market each time such data exists. A financial instrument is classified at the lowest level of hierarchy for which have been considered in measuring fair value.

(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.

(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.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

1. Significant accounting policies (continued)

(h) Employee future 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.

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

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

1. Significant accounting policies (continued)

(i) Tangible capital assets (continued)

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

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

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

(j) Asset retirement obligations

Asset retirement obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible assets include, but are not limited to, assets in productive use, assets no longer in productive use, and leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date, to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when the following conditions are met:

- there is a legal obligation for the Municipality to incur costs in relation to a specific tangible capital asset;
- when the past transaction or event causing the liability has already occurred;
- when economic benefits will need to be given up in order to remediate the liability; and
- when a reasonable estimate of such amount can be made

The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

1. Significant accounting policies (continued)

(j) Asset retirement obligations (continued)

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized for underlying assets that have been reported within the tangible capital asset values presented in the financial statements. Through the passage of time, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates. In circumstances when the underlying asset is fully depreciated, the asset retirement obligation will be amortized over the estimated future life until the cash disbursement is made in the future to settle the obligation.

At remediation, the Municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the consolidated statement of operations.

(k) 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.

(l) Reserves for future expenses

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

(m) Revenue recognition

i) Taxation

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

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

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

1. Significant accounting policies (continued)

(m) Revenue recognition (continued)

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 revenue

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.

(n) 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.

(o) 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.

(p) 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.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

2. Accounting policies adopted during the year

PS 3400 Revenue

Effective January 1, 2024, the Municipality adopted the Public Sector Accounting Board ("PSAB") standard PS 3400 Revenue. This new standard addresses the recognition, measurement, presentation and disclosure of revenue, and introduces a distinction between exchange and non-exchange transactions. The distinguishing feature between the two is the existence of a performance obligation, an enforceable promise to provide a good or service to a payor in return for promised consideration. Exchange transactions are characterized by one or more performance obligations, while non-exchange transactions have no direct transfer of goods or services to a payor. The adoption of this standard did not have a significant impact on the Municipality.

PS 3160 Public Private Partnerships

Effective January 1, 2024, the Municipality adopted the Public Sector Accounting Board ("PSAB") standard PS 3160 Public Private Partnerships. This standard addresses the accounting for transactions associated with certain public private partnerships, where public sector entities procure infrastructure using private sector partners. PS 3160 provides guidance on the recognition, measurement, presentation and disclosure of the tangible capital assets, financial liabilities, revenues and expenses within its scope. The adoption of this standard did not have a significant impact on the Municipality.

PSG-8 Purchased Intangibles

Effective January 1, 2024, the Municipality adopted the Public Sector Accounting Board ("PSAB") standard PSG-8 Purchased Intangibles. This standard provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act. The adoption of this standard did not have a significant impact on the Municipality.

The Municipality adopted these standards concurrently beginning January 1, 2024 on a prospective basis. As the remeasurement gain (loss) resulting from the adoption of the above accounting standards is nominal to the financial statements of the Municipality, a Consolidated Statement of Remeasurement Gains and Losses has not been prepared.

3. Cash and cash equivalents

Cash and temporary investments are comprised of:

	2024	2023
Cash on hand	\$ 1,415	\$ 715
Cash held in banks	7,591,881	5,965,076
Investments maturing within three months	4,259,729	1,277,237
	\$ 11,853,025	\$ 7,243,028

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

4. Portfolio investments

	2024	2023
Guaranteed investment certificates	\$ 13,280,323	\$ 15,239,626
Debentures and bonds	1,313,647	1,453,854
Accrued interest income	478,618	475,319
	\$ 15,072,588	\$ 17,168,799

Portfolio investments carry an effective interest rate ranging from 1.70% to 5.70% and maturity dates ranging from February 2025 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 \$15,011,647 (2023 - \$17,077,206).

5. 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 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 following table provides condensed supplementary financial information for PWPI:

	2024	2023
Financial position		
Current assets	\$ 1,810,169	\$ 1,781,669
Capital assets	50,753	60,351
Investment	39,818,483	38,954,910
Total assets	41,679,405	40,796,930
Current liabilities	35,929	58,599
Deferred tax liabilities	6,822,738	6,609,495
Total liabilities	6,858,667	6,668,094
Net assets	\$ 34,820,738	\$ 34,128,836
Municipality's interest – 24%	\$ 8,356,977	\$ 8,190,921

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

5. Investment in subsidiary (continued)

Results of operations and change in equity investment in subsidiary

Revenues	\$ 100,493	\$ 178,803
Expenses	(117,779)	(188,282)
Loss from operating activities	(17,286)	(9,479)
Gain on investment – Niagara Peninsula Energy Inc.	1,424,573	1,731,055
Finance income – net	69,482	60,170
Income before income taxes	1,476,769	1,781,746
Income tax expense	(223,867)	(392,456)
Net income and comprehensive income	1,252,902	1,389,290
Dividends	(561,000)	(547,000)
Net increase in equity of subsidiary	\$ 691,902	\$ 842,290
Municipality's interest – 24%	\$ 166,056	\$ 202,150

The financial position information is as reported by PWPI at December 31, 2024 and the results of operations are as reported for the year ended December 31, 2024. The comparative financial position and results of operations figures are as reported by PWPI at December 31, 2023.

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.

	2024	2023
Electricity purchased	\$ 272,220	\$ 295,208
Contracted services	-	9,622
	\$ 272,220	\$ 304,830

6. Deferred revenue

	2024	2023
Development Charges Act	\$ 2,666,805	\$ 2,427,275
Recreational land (Planning Act)	561,538	504,633
Canada Community - Building Fund	876,804	943,962
Deferred property tax revenue	1,095,078	991,991
Other	314,129	66,541
	\$ 5,514,354	\$ 4,934,402

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

6. Deferred revenue (continued)

Deferred revenue is made up of the following:

	2024	2023
Balance, beginning of year	\$ 4,934,402	\$ 6,266,700
Contributions from		
Development Charges Act	348,761	312,185
Interest earned	240,569	276,829
Canada Community - Building Fund	493,040	479,864
Deferred property tax revenue	1,100,078	991,991
Other	631,981	710,020
	<u>2,814,429</u>	<u>2,770,889</u>
Utilized for		
Operations	(1,156,667)	(1,306,535)
Tangible capital asset acquisitions	(1,077,810)	(2,796,652)
	<u>(2,234,477)</u>	<u>(4,103,187)</u>
Balance, end of year	<u>\$ 5,514,354</u>	<u>\$ 4,934,402</u>

7. 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 (2023 - \$nil).

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

8. Long term debt

	<u>2024</u>	<u>2023</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:	\$ 21,114,566	\$ 19,299,526

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>2024</u>	<u>2023</u>
2017-83	Recreation Centre	3.53%	2048	\$ 11,750,000	\$ 12,250,000
2017-83	Bridge 12	3.16%	2028	101,313	130,260
2019-101	Recreation Centre	2.80%	2049	3,333,333	3,466,666
2021-109	Elcho and Concession 5 Roads	2.63%	2036	720,000	780,000
2023-66	Fire Station 2 and Vaughan Road	5.02%	2043	2,538,970	2,672,600
2024-48	West Lincoln Memorial Hospital	4.45%	2044	2,670,950	-
				\$ 21,114,566	\$ 19,299,526

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

2025	\$ 943,860
2026	946,910
2027	950,910
2028	940,437
2029	929,963
Thereafter	<u>16,402,486</u>
	\$ 21,114,566

The Municipality paid \$682,531 (2023 - \$572,063) 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, 2024

9. 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 levels exceeded Ministry of the Environment, Conservation and Parks industrial/commercial land use environmental 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. The annual Statistics Canada Construction Price Index for the Toronto Census Metropolitan Area has been applied to \$945,900 to reflect the present value of this estimated remediation cost, resulting in an accretion expense of \$39,854 (2023 - \$69,495).

10. Employee future benefit obligations

	<u>2024</u>	<u>2023</u>
Accrued vacation pay funded	\$ 450,529	\$ 453,450
Retirement benefits	<u>633,700</u>	<u>610,900</u>
	1,084,229	1,064,350
Less: Accrued vacation pay funded	<u>450,529</u>	<u>453,450</u>
Liabilities to be recovered in the future	<u>\$ 633,700</u>	<u>\$ 610,900</u>

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

10. Employee future benefit obligations (continued)

Retirement benefits

	2024	2023
Accrued benefit obligation:		
Balance, beginning of year	\$ 526,800	\$ 508,800
Current benefit cost	39,300	37,600
Interest	25,300	24,100
Benefits paid	(33,400)	(43,700)
Balance, end of year	558,000	526,800
Unamortized actuarial gain	75,700	84,100
Accrued benefit liability, end of year	\$ 633,700	\$ 610,900

Included in expenses is \$8,400 (2023 - \$8,400) for amortization of the actuarial gain. The unamortized actuarial gain is amortized over the expected average remaining service life of 11 years.

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% (2023 - 4.60%). Medical costs were assumed to increase in 2024 at 6.57%, 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.

11. Accumulated surplus

	2024	2023
Operating surplus	\$ 1,343,327	\$ 442,519
Investment in subsidiary	8,356,977	8,190,921
Unfunded:		
Liability for contaminated sites	(1,055,249)	(1,015,395)
Employee future benefit obligations	(633,700)	(610,900)
Investment in tangible capital assets (net of long term debt)	80,551,470	82,304,046
Reserves and reserve funds (Note 12)	18,313,380	16,521,653
	\$ 106,876,205	\$ 105,832,844

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

12. Reserves and reserve funds

	2024	2023
Contingencies	\$ 995,023	\$ 1,788,504
Technology	138,830	150,420
Hospital	4,533,250	1,632,302
Insurance	187,655	187,655
Election	78,945	45,285
Library	564,887	529,650
Capital	1,811,450	2,421,155
Wind turbine community fund	321,366	379,709
Fire trucks and equipment	1,751,786	1,533,407
Road equipment	656,223	468,770
Industrial park	455,759	455,759
Bridges	537,974	580,932
Facilities	380,856	415,899
Sidewalks	269,955	231,917
Streetlights	63,624	64,752
Sewers	2,223,643	2,128,873
Water	1,284,671	1,668,357
Winter control	648,320	643,110
Cemeteries	156,146	127,160
West Lincoln Community Centre	577,787	464,872
Settlement road agreement	107,100	107,100
Planning	588,784	590,572
Building revenues	(20,654)	(94,507)
	\$ 18,313,380	\$ 16,521,653

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

13. Taxation

	Budget 2024	Actual 2024	Actual 2023
Real property	\$ 31,471,871	\$ 31,729,176	\$ 29,816,396
From other governments			
Payments in lieu of taxes	1,118,809	1,131,716	1,126,709
	<u>32,590,680</u>	<u>32,860,892</u>	<u>30,943,105</u>
Less: taxation collected on behalf of others (Note 14)	21,690,250	21,853,717	20,658,072
Net taxes available for municipal purposes	<u>\$ 10,900,430</u>	<u>\$ 11,007,175</u>	<u>\$ 10,285,033</u>
Residential and farm	\$ 9,275,540	\$ 8,860,775	\$ 8,302,006
Commercial	1,155,630	1,607,034	1,532,379
Industrial	469,260	539,366	450,648
Net taxes available for municipal purposes	<u>\$ 10,900,430</u>	<u>\$ 11,007,175</u>	<u>\$ 10,285,033</u>

14. 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:

	2024	2023
Region of Niagara	\$ 17,377,508	\$ 16,257,827
School boards	4,476,209	4,400,245
	<u>\$ 21,853,717</u>	<u>\$ 20,658,072</u>

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

The Municipality collects development charges on behalf of the Region of Niagara and the 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.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

15. User charges

	Budget 2024	Actual 2024	Actual 2023
Operating			
Direct water and sewer billings	\$ 4,550,660	\$ 4,598,425	\$ 4,327,279
Licences and permits	462,040	354,913	405,290
Development charges	108,600	132,038	359,346
Room rentals and program fees	496,380	541,240	491,970
Rents and concessions	56,010	58,215	59,745
Other	508,700	654,209	390,894
	<u>6,182,390</u>	<u>6,339,040</u>	<u>6,034,524</u>
Capital			
Development charges	2,556,500	108,627	1,276,918
	<u>\$ 8,738,890</u>	<u>\$ 6,447,667</u>	<u>\$ 7,311,442</u>

16. Government transfers

	Budget 2024	Actual 2024	Actual 2023
Operating			
Province of Ontario	\$ 1,089,720	\$ 1,105,636	\$ 1,167,697
Government of Canada	9,810	5,000	10,000
Municipal	7,833	20,142	94,762
	<u>1,107,363</u>	<u>1,130,778</u>	<u>1,272,459</u>
Capital			
Province of Ontario	540,000	397,932	734,348
Government of Canada	990,000	652,117	632,075
Municipal	-	-	567,085
	<u>1,530,000</u>	<u>1,050,049</u>	<u>1,933,508</u>
	<u>\$ 2,637,363</u>	<u>\$ 2,180,827</u>	<u>\$ 3,205,967</u>

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

17. Other revenue

	Budget 2024	Actual 2024	Actual 2023
Operating			
Penalties and interest on taxes	\$ 330,000	\$ 439,585	\$ 383,412
Other fines	23,540	34,996	49,475
Interest and dividend income	330,000	1,121,065	1,043,663
Interest income - reserves and reserve funds	-	39,838	34,612
Other	23,750	79,581	37,021
Community Fund	420,000	451,500	451,500
	<u>1,127,290</u>	<u>2,166,565</u>	<u>1,999,683</u>
Capital			
Other	1,550	96,997	103,145
	<u>\$ 1,128,840</u>	<u>\$ 2,263,562</u>	<u>\$ 2,102,828</u>

18. 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 \$2.91 billion (2023 - \$4.20 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. Plan funding deficits may require additional increases in the contributions by participating employees and members in future years. Contributions were made in the 2024 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 2024 current and past service was \$573,742 (2023 - \$480,173) and were matched by employee contributions in a similar amount.

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

Trust funds administered by the Municipality amounting to \$284,712 (2023 - \$279,172) have not been included in the consolidated statement of financial position nor have these operations been included in the consolidated statement of operations.

20. 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.

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

21. Commitments

West Lincoln Memorial Hospital

The Township has 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. The Township contribution of \$4,524,850 was due and payable upon substantial completion in June 2025. The Township introduced a new hospital levy in 2021 in order to provide funding towards this commitment. The approved plan included the issuance of a debenture in 2024 in order to provide the required payment that was due and payable. The funds from the annual hospital levy will be used to fund the principal and interest payments on the debenture.

22. 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.

23. Budget

The budget by-law adopted by Council on February 26, 2024 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>2024</u>
Approved budgeted annual surplus	\$ -
Add:	
Acquisition of tangible capital assets	9,771,500
Debenture principal repayment	856,030
Transfer to reserve and reserve funds	2,710,160
Less:	
Transfer from reserve and reserve funds	(5,883,118)
Debenture proceeds	(1,217,400)
Amortization of tangible capital assets	(3,819,831)
Budgeted surplus reported on the consolidated statement of operations	<u>\$ 2,417,341</u>

The Corporation of the Township of West Lincoln

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2024

24. 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, corporate services, 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, winter control, street lighting, and maintenance of Municipal buildings.

Environmental services

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

Health services

Health services department is responsible for cemetery operations.

Recreation and culture services

Recreation and culture services department is responsible for the delivery, maintenance and upkeep of all recreation programs and facilities including arena, recreation complex, parks, open spaces, 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 follow the notes.

25. Financial instruments and risks

The Municipality's financial instruments consist of cash and cash equivalents, portfolio investments, user charges receivable, accounts receivable, accounts payable and accrued liabilities, other liabilities, and long-term debt. The fair values of these financial instruments approximate their carrying values. It is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Corporation of the Township of West Lincoln

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2024

								2024
	Land	Land Improvements	Facilities	Rolling Stock	Equipment	Infrastructure	Construction in Progress	Total
Cost								
Beginning of year	\$ 4,235,267	\$ 5,800,854	\$ 25,930,615	\$ 8,430,553	\$ 4,771,490	\$ 95,867,713	\$ 3,785,736	\$ 148,822,228
Add: additions (transfers)	(20,427)	237,679	3,805,198	280,528	280,425	2,898,992	(3,039,146)	4,443,249
Less: disposals	(456,859)	(5,018)	(162,181)	(233,894)	(209,059)	(297,924)	-	(1,364,935)
End of year	3,757,981	6,033,515	29,573,632	8,477,187	4,842,856	98,468,781	746,590	151,900,542
Accumulated amortization								
Beginning of year	-	2,171,539	4,457,764	2,929,412	1,825,781	35,834,164	-	47,218,660
Add: amortization	-	203,433	636,130	513,592	359,175	2,107,501	-	3,819,831
Less: amortization on disposals	-	(4,630)	(136,051)	(233,894)	(204,866)	(224,544)	-	(803,985)
End of year	-	2,370,342	4,957,843	3,209,110	1,980,090	37,717,121	-	50,234,506
Net book value	\$ 3,757,981	\$ 3,663,173	\$ 24,615,789	\$ 5,268,077	\$ 2,862,766	\$ 60,751,660	\$ 746,590	\$ 101,666,036

The Corporation of the Township of West Lincoln

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2024

	2023							
	Land	Land Improvements	Facilities	Rolling Stock	Equipment	Infrastructure	Construction in Progress	Total
Cost								
Beginning 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
Add: additions	123,000	274,215	85,018	2,030,034	441,515	6,991,040	1,614,219	11,559,041
Less: disposals	-	(110,928)	(46,059)	(544,149)	(224,082)	(774,445)	-	(1,699,663)
End of year	<u>4,235,267</u>	<u>5,800,854</u>	<u>25,930,615</u>	<u>8,430,553</u>	<u>4,771,490</u>	<u>95,867,713</u>	<u>3,785,736</u>	<u>148,822,228</u>
Accumulated amortization								
Beginning of year	-	2,108,804	3,889,733	3,007,588	1,676,333	34,611,715	-	45,294,173
Add: amortization	-	173,663	595,005	418,669	362,860	1,871,433	-	3,421,630
Less: amortization on disposals	-	(110,932)	(26,974)	(496,845)	(213,412)	(648,984)	-	(1,497,147)
End of year	<u>-</u>	<u>2,171,535</u>	<u>4,457,764</u>	<u>2,929,412</u>	<u>1,825,781</u>	<u>35,834,164</u>	<u>-</u>	<u>47,218,656</u>
Net book value	<u>\$ 4,235,267</u>	<u>\$ 3,629,319</u>	<u>\$ 21,472,851</u>	<u>\$ 5,501,141</u>	<u>\$ 2,945,709</u>	<u>\$ 60,033,549</u>	<u>\$ 3,785,736</u>	<u>\$ 101,603,572</u>

The Corporation of the Township of West Lincoln

Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2024

								2024
	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Consolidated
Revenues								
Taxation	\$ 3,702,475	\$ 1,448,657	\$ 3,144,055	\$ 59,507	\$ 106,315	\$ 1,824,256	\$ 721,911	\$ 11,007,176
User charges	134,565	312,111	170,327	4,646,926	27,698	573,905	582,135	6,447,667
Government transfers	1,054,033	745	928,749	133,609	-	47,076	16,614	2,180,826
Other	2,029,205	11,238	33,362	21,427	13,987	154,343	-	2,263,562
Contributed tangible capital assets	-	-	93,505	338,917	-	7,840	-	440,262
Loss on disposal of tangible capital assets	-	(977)	(529,083)	-	-	(832)	-	(530,892)
Change in equity of subsidiary	166,056	-	-	-	-	-	-	166,056
	7,086,334	1,771,774	3,840,915	5,200,386	148,000	2,606,588	1,320,660	21,974,657
Expenses								
Salaries and benefits	2,600,258	1,048,989	1,929,202	480,807	18,395	1,937,025	726,362	8,741,038
Interest on long term debt	49,437	78,191	76,713	-	-	518,810	-	723,151
Operating materials and supplies	302,012	272,433	931,414	1,049,200	3,613	604,816	12,267	3,175,755
Contracted services	582,362	312,447	817,398	1,860,503	41,754	381,223	178,766	4,174,453
Rent and financial expenses	35,120	2,861	2,154	-	-	14,905	-	55,040
External transfers to others	31,900	595	-	-	15,590	5,800	75,410	129,295
Tax write-offs	110,076	-	2,657	-	-	-	-	112,733
Interfunctional adjustments	(616,600)	208,300	(410,070)	711,910	-	96,460	10,000	-
Amortization of tangible capital assets	271,395	306,466	1,701,392	860,005	1,377	678,804	392	3,819,831
	3,365,960	2,230,282	5,050,860	4,962,425	80,729	4,237,843	1,003,197	20,931,296
Annual surplus (deficit)	\$ 3,720,374	\$ (458,508)	\$ (1,209,945)	\$ 237,961	\$ 67,271	\$ (1,631,255)	\$ 317,463	\$ 1,043,361

The Corporation of the Township of West Lincoln

Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2024

								2023
	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Recreation and Cultural Services	Planning and Development	Consolidated
Revenues								
Taxation	\$ 3,424,646	\$ 1,265,723	\$ 2,984,638	\$ 132,682	\$ 106,145	\$ 1,594,894	\$ 776,305	\$ 10,285,033
User charges	124,872	828,407	687,305	4,663,899	35,760	702,373	268,826	7,311,442
Government transfers	1,104,320	40,000	1,886,269	90,000	-	51,593	33,785	3,205,967
Other	1,897,213	38,975	967	20,097	13,418	132,158	-	2,102,828
Contributed tangible capital assets	-	-	697,217	2,160,619	-	70,000	-	2,927,836
Gain on disposal of tangible capital assets	(8,379)	5,392	(104,037)	-	-	-	-	(107,024)
Change in equity of subsidiary	202,150	-	-	-	-	-	-	202,150
	6,744,822	2,178,497	6,152,359	7,067,297	155,323	2,551,018	1,078,916	25,928,232
Expenses								
Salaries and benefits	2,192,319	1,026,144	1,716,210	492,480	14,155	1,812,115	562,530	7,815,953
Interest on long term debt	-	19,494	39,336	-	-	538,767	-	597,597
Operating materials and supplies	307,935	240,656	922,401	1,022,659	3,444	619,296	24,077	3,140,468
Contracted services	595,331	276,416	797,514	2,065,127	82,029	325,126	279,606	4,421,149
Rent and financial expenses	16,054	3,033	1,996	-	-	16,359	-	37,442
External transfers to others	39,900	-	-	-	10,700	5,300	224,800	280,700
Tax write-offs	127,005	-	2,136	-	-	-	-	129,141
Interfunctional adjustments	(560,700)	189,500	(397,150)	662,080	-	94,370	11,900	-
Amortization of tangible capital assets	254,786	272,124	1,442,759	785,646	1,375	664,548	392	3,421,630
	2,972,630	2,027,367	4,525,202	5,027,992	111,703	4,075,881	1,103,305	19,844,080
Annual surplus (deficit)	\$ 3,772,192	\$ 151,130	\$ 1,627,157	\$ 2,039,305	\$ 43,620	\$ (1,524,863)	\$ (24,389)	\$ 6,084,152



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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

Opinion

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

- the statement of financial position as at December 31, 2024
- 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, 2024, and its results of operations, its remeasurement of gains and losses, its changes in net debt 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 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.



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.



Page 3

- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

October 28, 2025

The Corporation of the Township of West Lincoln

Trust Funds

Statement of Financial Position

As at December 31, 2024

	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	2024 Total	2023 Total
Financial assets												
Due from Corporation of the Township of West Lincoln	\$ 48,339	\$ 16,898	\$ 109,934	\$ 26,964	\$ 5,993	\$ 6,848	\$ 35,444	\$ 7,474	\$ 18,128	\$ 8,690	\$ 284,712	\$ 279,171
Net financial assets and accumulated surplus	\$ 48,339	\$ 16,898	\$ 109,934	\$ 26,964	\$ 5,993	\$ 6,848	\$ 35,444	\$ 7,474	\$ 18,128	\$ 8,690	\$ 284,712	\$ 279,171

Statement of Operations and Accumulated Surplus

For the Year Ended December 31, 2024

Revenue												
Perpetual care agreements	\$ -	\$ -	\$ 3,441	\$ 2,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,541	\$ 7,208
Interest earned	838	2,398	431	899	371	1,758	340	297	1,286	5,368	13,986	13,419
	838	2,398	3,872	2,999	371	1,758	340	297	1,286	5,368	19,527	20,627
Expenses												
Interest earned distributed to cemetery reserve	838	2,398	431	899	371	1,758	340	297	1,286	5,368	13,986	13,419
Annual surplus	-	-	3,441	2,100	-	-	-	-	-	-	5,541	7,208
Accumulated Surplus												
Beginning of year	48,339	16,898	106,493	24,864	5,993	6,848	35,444	7,474	18,128	8,690	279,171	271,963
End of year	\$ 48,339	\$ 16,898	\$ 109,934	\$ 26,964	\$ 5,993	\$ 6,848	\$ 35,444	\$ 7,474	\$ 18,128	\$ 8,690	\$ 284,712	\$ 279,171

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, 2024

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.