



2021 ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2021

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Introduction



Vision

A welcoming, prosperous, connected community of choice.

Mission

To lead and serve Fort Erie by pursuing opportunities, leveraging partnerships and managing our resources to achieve growth.

Corporate Values

PROUD TO SERVE

We serve Fort Erie with pride, care and excellence.

TEAMWORK

We partner with other departments, volunteers, other levels of government, agencies, boards and commissions, to deliver service to the public.

RESPECT

We treat others as we would like to be treated, with sensitivity and respect – we listen.

HONESTY

We are open and honest, we value trust and integrity.

COMMITMENT

We are committed to the well-being of the community.

Legislative Authority

The Town of Fort Erie (“the Town”) is one of twelve municipalities in the Niagara Region. It is approximately 168 square kilometers in size and is the fourth largest and a modestly growing municipality in the Region. With a population of approximately 33,000 permanent and 10,000 seasonal residents, the Town is located at the confluence of the Niagara River and Lake Erie. Located at one of Canada’s major gateway and border crossings, Fort Erie has developed a diverse range of unique cultural and tourist attractions.

The Town is comprised of a number of communities, each with a unique character and history. Fort Erie does not have a single distinctive town centre, but rather is an amalgamation of a number of settlement centres consisting of Fort Erie, Bridgeburg, Crescent Park, Thunder Bay, Ridgeway, Crystal Beach, Stevensville and Douglastown/Black Creek.

The Town provides and has jurisdiction over the following services: public transit, local streets and sidewalks, local water distribution, local collector wastewater collection, local storm water drainage, recreation facilities, parks, building permits, land use planning, inspections, fire protection and prevention, economic development and tourism, libraries and museums.

All of the decisions respecting the Town’s responsibilities are made by a Mayor and Council of duly elected representatives from its six (6) wards and its undertakings are subject to Provincial rules and regulations. The Chief Administrative Office (CAO) is appointed by Town Council to oversee the management and operation of the Town.

The Town finances its expenditures from levies against the local property owners, grants and subsidies received from other governments and organizations and from user fees for self-supporting services such as water and wastewater. In addition, the Town finances capital expenditures with long term debt financing where appropriate.

2018 – 2022 Municipal Council



Mayor
Wayne Redekop



Ward 4
Councillor
Marina Butler



Ward 1
Councillor
George McDermott



Ward 5
Councillor
Don Lubberts



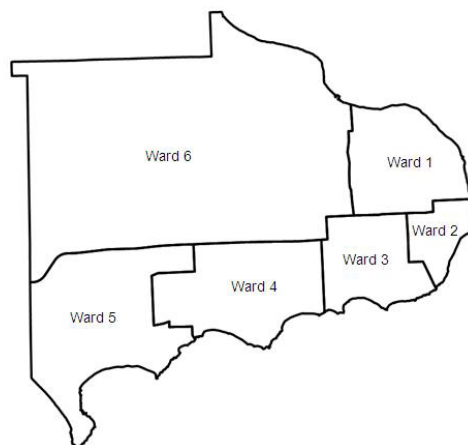
Ward 2
Councillor
Nick Dubanow



Ward 6
Councillor
Ann-Marie Noyes



Ward 3
Councillor
Kimberly Zanko



2022 Administration

Chief Administrative Officer

Chris McQueen

Director, Corporate Services

Jonathan Janzen

Director, Infrastructure Services

Kelly Walsh

Interim Director, Planning & Development Services

Alex Herlovitch

Interim Fire Chief

Mark Schmitt

Town Clerk

Carol Schofield

Auditor

Grant Thornton LLP, Chartered Professional Accountants

Bank

TD Bank

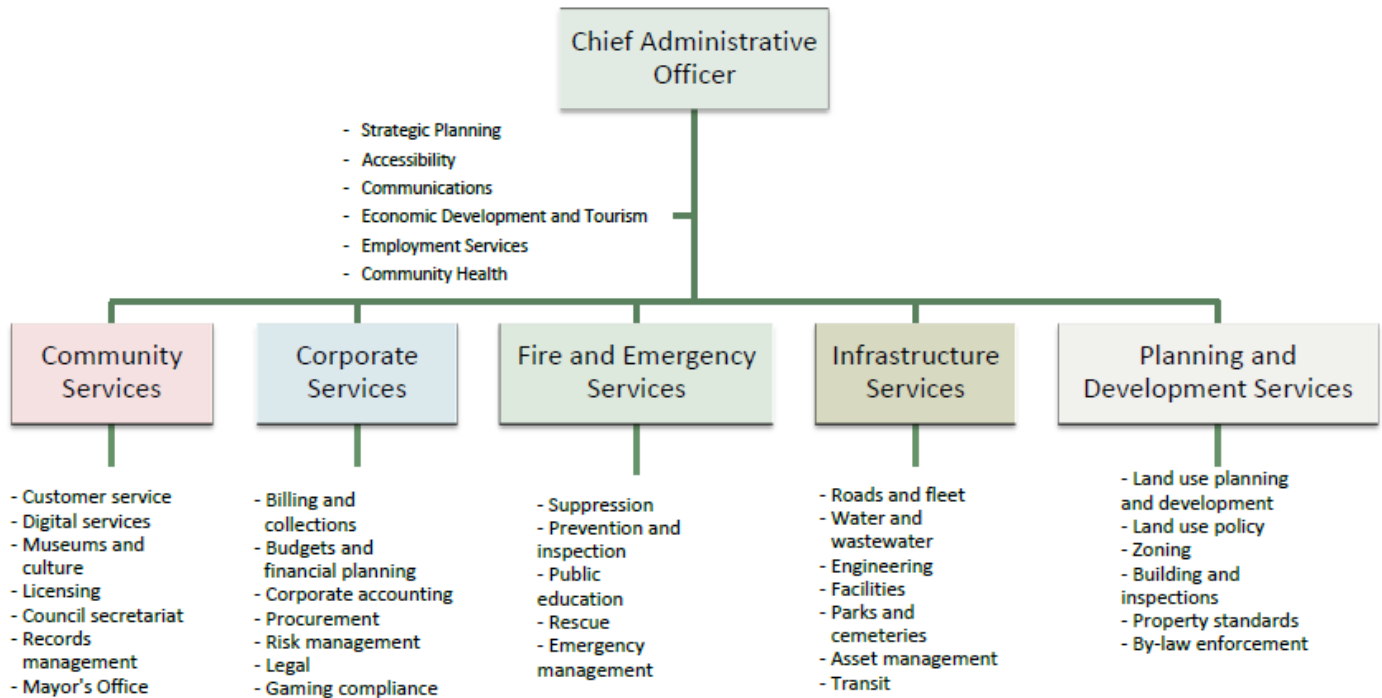
Contact

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Phone: 905-871-1600

Web-site: www.forterie.ca

Corporate Organization Chart



Financial Statement Discussion & Analysis

Financial Statement Discussion & Analysis

INTRODUCTION

Financial Report Preparation

The Corporation of the Town of Fort Erie (“the Town”) 2021 Annual Financial Report is included in Schedule “1”, which includes the consolidated financial statements. The management of the Town is responsible for the integrity, objectivity and accuracy of the financial information presented in our financial statements. The Financial Report has been prepared by management in accordance Canadian Generally Accepted Accounting Principles established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada. The purpose of financial statements is to provide users with an understanding of the financial position and operating results of the Town over the fiscal period.

Internal Control Management

In order to meet its responsibility for presenting accurate information, management is responsible for the design and operation of an effective system of internal control that provides reasonable assurance that the accounting system provides timely, accurate and reliable financial information, and safeguards the assets of the Town. The control system provides an organizational structure, which effectively segregates responsibility, employs qualified staff, and develops corporate policies and procedures, which are regularly reviewed.

External Audit

The *Municipal Act, 2001*, requires municipalities to appoint an independent auditor to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the Town’s financial position and operating results. The auditor provides a written report and management letter dealing with the adequacy of internal financial control systems, and an audit opinion regarding the results of the financial statement audit.

Consistent with prior years, Grant Thornton LLP has issued an unqualified or “clean” opinion on the 2021 consolidated financial statements.

Corporate and Community Services Sub-Committee

The Corporate and Community Services sub-committee is comprised of the Mayor and two members of council (Chair and Vice-chair). The committee monitors the full financial cycle from budget guidance to finalization of the fiscal year through approval of the Annual Financial Report. The committee provides a review of the annual external and internal audit processes.

The Town administration is responsible for preparing the following financial statement discussion and analysis. It should be read in conjunction with the Financial Report contained within Schedule “1”.

Financial Statement Discussion & Analysis

The following table summarizes the Statement of Financial Position. This statement is a snapshot as at December 31, 2021 of the Town's equity – its assets less liabilities and debt. Refer to page 4 of Schedule "1" for more details.

Consolidated Financial Position

As at December 31

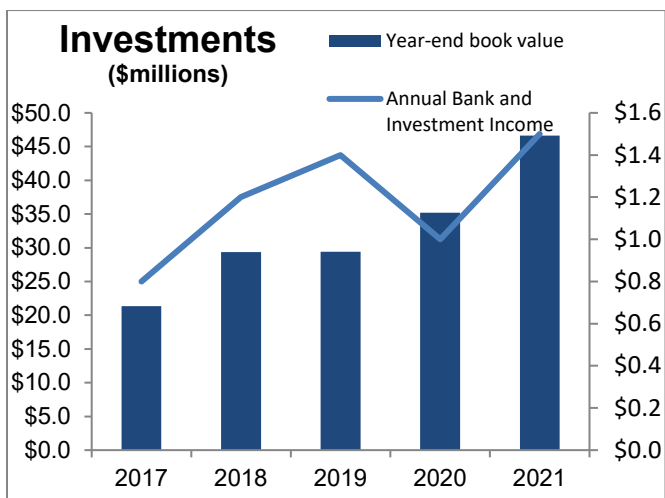
\$ Millions

	2021	2020
A. Financial Assets	\$107.7	\$96.3
B. Liabilities	49.0	39.3
C. Net Financial Assets (A minus B)	58.8	57.0
D. Non-Financial Assets	243.2	232.3
E. Accumulated Surplus (C plus D)	\$302.0	\$289.4

A. FINANCIAL ASSETS

The Town's financial assets represent the total cash, portfolio investments, taxes receivable, other accounts receivable, and inventory held as of December 31, 2021.

Cash balances are monitored to ensure funds are invested where possible, while maintaining an appropriate balance to cover operating and capital cash requirements. Cash balance remained constant at \$52 million from 2020 – refer to page 17 for a cash flow analysis.



The Town uses investments to maximize earnings from the time funds are received until they are ultimately spent. Overall, portfolio investments increased by \$11.2 million in 2021. The 2021 Annual Investment Review (CS-03-2022) was presented to Council on March 21, 2022 and reported annual interest and dividend earnings of 2.0%.

Taxes receivable are uncollected property taxes as of December 31. The portion of property taxes that were uncollected at year-end were 5.3%, down slightly from 6.0% in 2020, and are impacted by outstanding multi-year tax appeals. Receivables are monitored throughout the year and tax registration is used to minimize losses. The most recent BMA Municipal Study reported average taxes receivable for Niagara of 7.1% for 2020 and generally recommended a target of 8% or less.

Accounts receivable consist primarily of amounts due from water customers and other governments and are highly dependent on the timing of operational activities during the year.

B. LIABILITIES

Liabilities include account payable and accrued liabilities, deferred revenue, debt and obligations for future retiree benefits. Accounts payable are payments owing to vendors and other governments and fluctuate based on the timing of payments.

Accounts payable increased \$5.0 million from 2020, primarily due to an increase of security deposits, capital project expense accruals, and an increase of holdback payments.

Deferred revenues are advance payments for goods or services the Town has not yet provided. Deferred revenue increased by \$5.3 million from 2020, primarily as a result of increases in the

Financial Statement Discussion & Analysis

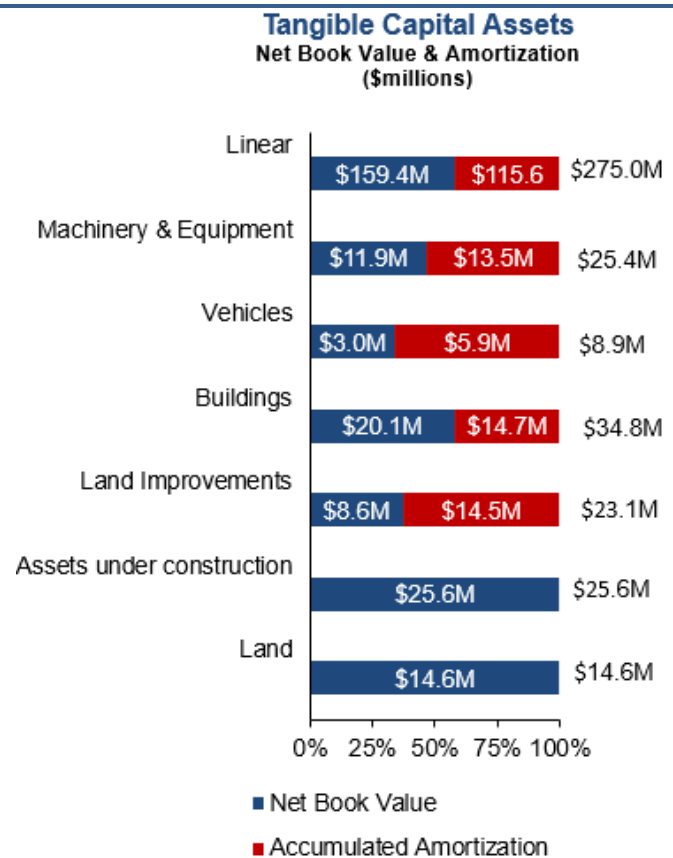
collection of development charges, federal gas tax and cash in lieu of parkland.

No new debt was incurred in 2021. Total debt of \$4.7 million matures between 2025 and 2032, and incurs interest at rates ranging from 1.20% to 4.15%. The provincial Annual Repayment Limit sets the maximum annual debt payment amount as 25% of net own source revenues. This represents the percentage of revenues that must be used to pay for debt principal and interest payments. Debt repayments in 2021 were below 2.0% of net own source revenues. The Town generally limits debt financing to major new capital expenditures, which reduces the burden on current taxpayers.

C. NON-FINANCIAL ASSETS

Tangible capital assets represent the most significant component of non-financial assets. These assets are used to provide many services and programs to residents of Fort Erie. The Town's semi-annual capital variance reports captures many of the additions during the year. Total capital assets at December 31, 2021 had a cost of \$407.3 million with accumulated amortization of \$164.1 million, indicating that approximately 40% of the useful life has been used in the delivery of programs and services.

The Town approved an updated Asset Management Plan (AMP) along with a new AMP Policy and Strategy in 2019. The AMP identified the 'infrastructure gap' or the difference between current and required funding to meet desired levels of service. All asset categories that were included in the AMP (infrastructure and facilities) were determined to be fully funded in 2021 except for wastewater as well as additional assessments required to confidently meet storm asset needs. The 2022 budget eliminated the annual funding gap for wastewater.



D. ACCUMULATED SURPLUS

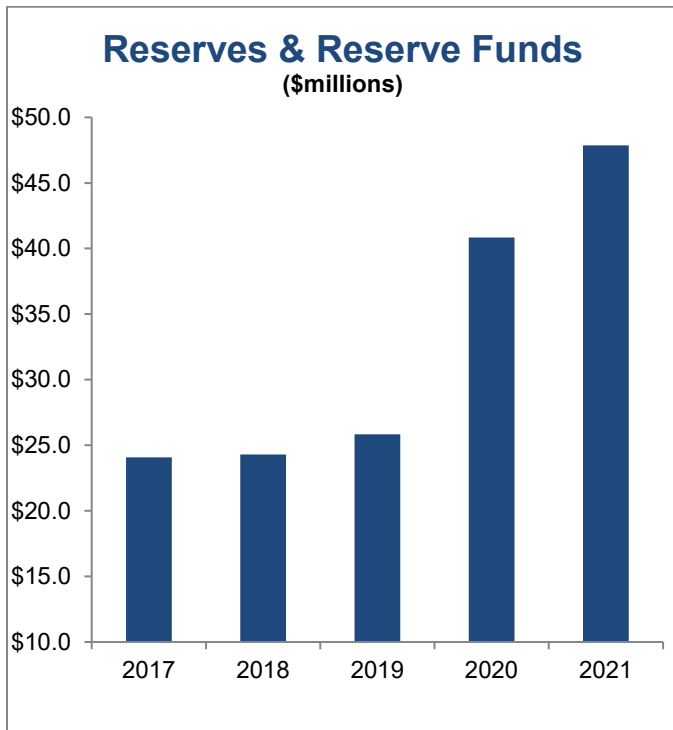
The accumulated surplus represents the Town's net asset position (total assets less liabilities) and at December 31, 2021 consists of:

- \$243.2 million invested in tangible capital assets,
- \$47.9 million in reserves and reserve funds,
- \$16.4 million in accumulated operating surpluses, and
- (\$5.4) million in unfunded liabilities.

The Town has continued to increase reserve balances as part of the long term capital renewal strategy. The increased reserve balances also reduce the Town's exposure to risk and uncertainties. Total reserve balances increased \$7.0 million from 2020 and increased \$23.8 million over the past 5 years. Note that a number of

Financial Statement Discussion & Analysis

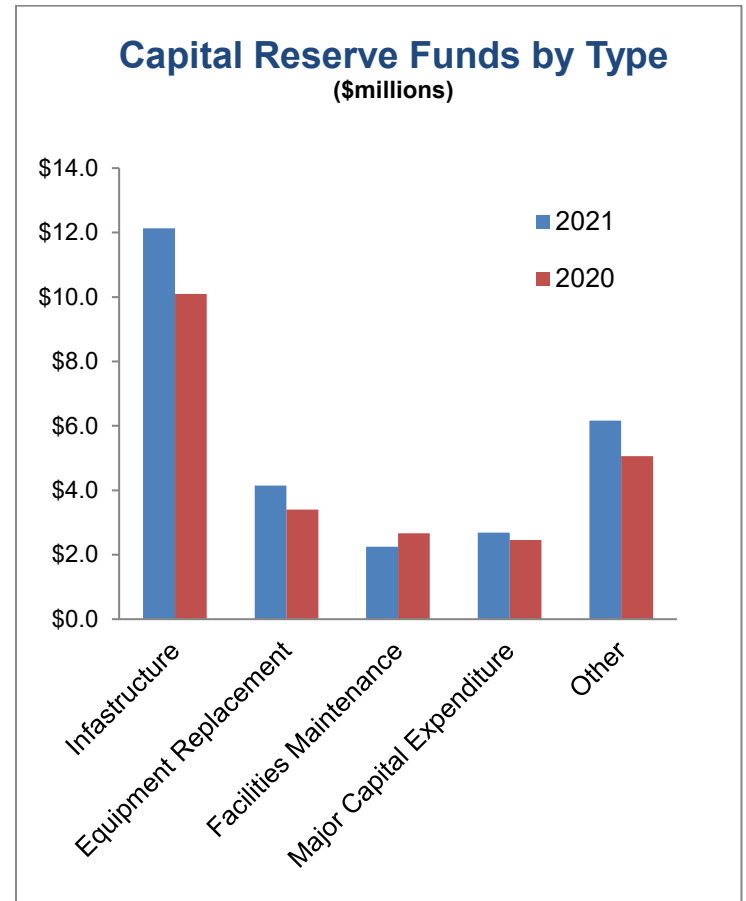
reserve balances are committed to fund future expenditures (e.g., encumbrances, South Niagara Hospital). Otherwise, the majority of reserves are set aside to fund future capital projects. A detailed list of reserve funds is included in Note 9 in Schedule “1”.



Several targets are included as part of the Reserve Policy. The 2021 results include:

- Section 8.6(b) states that reserves to total debt should be greater than or equal to 1:1. As at December 31, 2021 the ratio was 10:1.
- Section 8.7(a) states that the minimum contribution to capital reserves should be annual amortization. Amortization in 2021 was \$9.3 million and capital reserve contributions were \$12.5 million.
- The minimum target for stabilization fund balances is 5-10% of the previous year's tax levy. All stabilization reserves are at or exceeding targets. Note that the 2021 General Levy Rate Stabilization total included in this report is before allocations proposed in Report

No. CS-11-2022 and the 2022 Budget relies on the reserve for a number of initiatives.



Consolidated Statement of Operations

The Consolidated Statement of Operations reports the revenue and expenses of the Town, which excludes tax amounts collected for the Region of Niagara and school boards. This statement describes the changes in economic resources and provides a comparison to budget. Disclosure by segment (i.e., General, Water, Wastewater, and Library) is also included in the schedules.

Budget Approval

The balanced 2021 Operating and Capital Budgets were approved by Council on February 2, 2022. The Water and Wastewater Operating Budget were approved on December 8, 2021.

Accounting Basis for Budget

The Town budget is presented on a modified accrual basis for the purpose of calculating the tax levy. Following this approach, the Town considers its cash needs for the year to ensure it collects sufficient tax revenue to cover its obligations and execute its business plan. This includes budgeting for any principal debt repayments and considers any required transfers to or from reserves. Conversely, the Town does not budget for amortization and its annual impact on tangible capital assets or changes in employee future benefit liabilities as these are primarily non-cash items.

Accounting Basis for Financial Report

In order to issue financial statements, the Town is required to adjust its presentation of financial results to be in accordance with Canadian Public Sector Accounting Standards (PSAS). This approach is known as “accrual accounting”, which requires transactions be reported when they occur, regardless of when cash is ultimately collected or paid. The 2021 annual surplus as presented on the statements, after PSAS adjustments, is **\$13.6 million**. The surplus available for distribution as of the end of the year, on the basis approved by Council, is **\$2.5 million**. The chart below bridges the approved balanced budget to the Canadian PSAS financial statements presented throughout this annual report and further detailed in Note 17 of Schedule “1”.

Approved Budget Compared to Financial Statements

As at December 31 (\$millions)

	Budget	2021	2020
Approved net operating surplus	-	2.5	1.7
Add:			
Capital revenue	6.4	4.1	6.7
Net transfers to reserves	10.6	14.6	16.0
Reserve interest	0.3	0.8	0.7
Repayment of long-term debt	0.8	0.8	0.8
Library operating surplus, before capital revenue and amortization	0.1	0.2	0.2
Less:			
Amortization	(8.1)	(9.3)	(9.9)
Proceeds from sale of tangible capital assets		(0.1)	(0.0)
Gross loss on sale of tangible capital assets		-	(0.3)
Surplus reported on the consolidated statement of operations	\$10.2	\$13.6	\$15.8

Consolidated Statement of Operations

REVENUES

Total operating and capital revenues of \$64.2 million were higher than budget by \$0.9 million or 1.5% and increased by \$1.1 million from 2020 or 1.7%. The main drivers of the revenue budget surplus are higher than anticipated fees and services, the increase of licenses and permits and unbudgeted grants received.

User charges are favourable to budget by \$1.7 million. User fees are a charge to the user for a specific municipal service, activity or product, or for the use of municipal property, largely generated from water and wastewater charges. The following results contribute to the favourable variance.

- Building permit revenues were favorable to budget by \$0.7 million as a result of strong residential development. As noted in Report No. PDS-40-2022, there were 826 new residential permits issued in 2021 compared to 594 issued in 2020, being the best year on record.
- Fees and services charged were favorable to budget by \$0.8 million. The variance is attributable to fees such as parking, Bay Beach admissions and planning and development due to rising development.

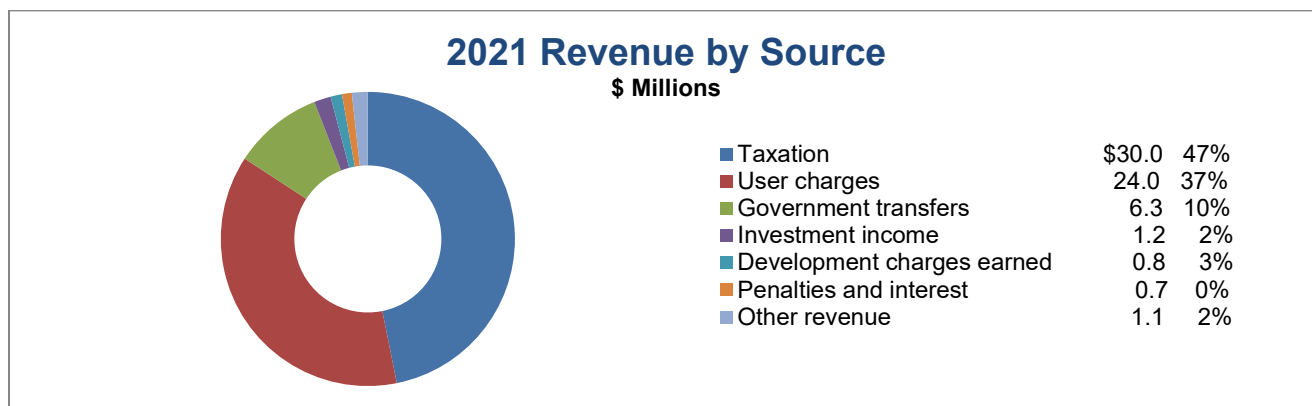
Government transfers primarily represent grants from the federal, provincial, and regional governments. The \$1.1 million surplus is driven by grants related to COVID-19 funding (e.g., Safe Restart, transit), modernization, infrastructure and tourism grants that were received in 2021 but not budgeted due to timing or uncertainty.

Partially offsetting the revenues above are unfavourable capital revenues of \$2.3 million as a result of timing. Revenues were budgeted to be earned in 2021, however, the Town is not expected to fulfill obligations relating to Development Charges, Cash-in-Lieu of Parkland, and land sales until future years.

Other revenues are unfavourable to budget by \$0.3 million and are primarily driven by losses on the sale of assets and amounts benefitting property owners. This variance is offset by favourable supplementary taxes of \$0.2 million.

Note that COVID-19 impacted revenues in the areas of beach admissions, facilities rentals, and bank and investment income. Funding received from other levels of government offset these revenue pressures.

Below is a breakdown of total revenues by source:



Consolidated Statement of Operations

EXPENSES

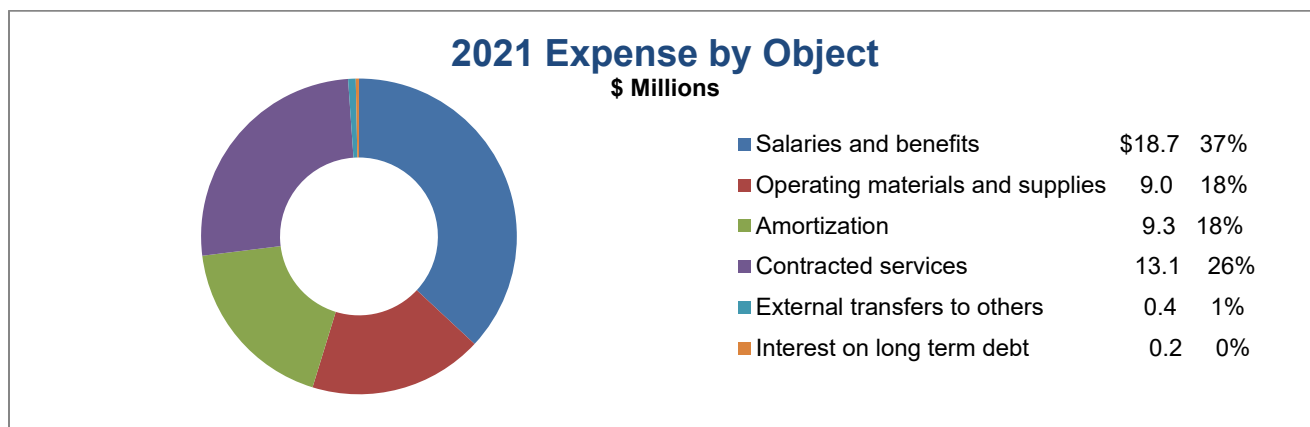
Total expenses of \$50.6 million were lower than budget by \$2.5 million or 4.8% and increased by \$1.0 million from 2020 or 2.0%.

Expenses in all categories (i.e., general government, protection to persons and property, environmental services, health services, recreation & culture services, social and family services and planning and development) besides transportation services were favourable to budget.

The overall favourable expense variance resulted from areas such as savings in salaries and benefits of \$0.4 million (e.g., staff turnover/vacancies, savings in benefits, budgeting union staff at the highest step on the salary grid) and materials and supplies of \$0.9 million (e.g., training and development and other areas as a result of COVID-19, maintenance, fuel, utilities). Contracted services were favourable by \$1.9 million, however, only \$0.9 million contributes to the net operating surplus as a result of savings on a number of contingency-based budget lines where funds were not required in 2021. Note that deferrals and delays of projects resulted in \$2.8 million in expenses delayed to 2022, of which \$0.9 million will be funded through the Encumbrance Reserve and \$1.9 million will remain in related reserves until required. Savings were offset by unfavourable amortization of \$1.1 million as a result of capitalizing significantly more Capital Projects than anticipated.

Note that COVID-19 impacts included areas such as transit, cleaning supplies and personal protective equipment, and advertising. Funding received from the Provincial Government offset these expense pressures.

Below is a breakdown of total expenses by object:



Consolidated Statement of Operations

ANNUAL SURPLUS

The 2021 General Levy surplus based on the budget approved by Council was \$2.5 million as reported in Note 17 of Schedule “1”. From this amount transfers totaling \$2.4 million, are proposed in Report No. CS-11-2022 leaving an amount transferred to the General Levy Rate Stabilization Reserve of \$100,556.

The Town reported a combined water and wastewater surplus of \$408,550. Water flows were 0.2% higher than budget and wastewater flows were 1.8% lower than budget, resulting in revenue deficit with budget. The net surplus was a result of an increase in base charge revenue due to development and savings in Regional treatment costs and maintenance work. The \$190,890 water surplus was transferred to the Water Rate Stabilization Reserve and the \$217,660 wastewater surplus was transferred to the Sewer Rate Stabilization Reserve.

Consolidated Statement of Cash Flows

The following table summarizes the Consolidated Statement of Cash Flows. [The Statement of Cash Flows outlines the change in cash during the year.](#) Refer to page 7 of Schedule “1” for further details.

Consolidated Statement of Cash Flows

For the Year Ended December 31

\$ Millions

	2021	2020
A. Operating transactions	\$ 33.2	\$ 19.0
B. Capital transactions	(21.1)	(7.6)
C. Investing transactions	(11.2)	(5.2)
D. Financial transactions	(0.8)	(0.8)
	0.1	5.4
Cash at beginning of year	52.0	46.6
Cash at end of year	\$ 52.1	\$ 52.0

The cash balances remained similar at \$52.1 million in 2021. The following is a summary of the activities:

- A. **Operating transactions:** Cash provided by operations was \$33.2 million as compared to \$19.0 million in 2020. The annual surplus after considering non-cash items was \$1.3 million higher than in 2020. The remaining increase is primarily a result of an increase in accounts payable due to an increase of security deposits, capital project expense accruals, and an increase of holdback payments.
- B. **Capital transactions:** Cash used in capital activities was \$21.1 million as compared to \$7.6 million in 2019, primarily driven by an increase in additions to capital assets which is affected by the timing of project completion which affects capitalization.
- C. **Investing transactions:** Cash used in investing activities was \$11.2 million as compared to \$5.2 million in 2020. The change is a result of strategic investing during differing rate environments.
- D. **Financing transactions:** Cash used in financing transactions was \$0.8 million as was the same in 2020 and represents repayment of debt. No new debt was issued in 2021.

Conclusion

Town of Fort Erie staff are committed to ensuring the Town's financial affairs are handled responsibly, with integrity, and available to the public. Achieving a balance between providing high levels of quality service to residents of Fort Erie and ensuring these services are affordable to both current and future residents is at the centre of the financial strategy at the Town of Fort Erie. The audited consolidated financial statements are key financial documents that reflect the Town's achievements toward financial sustainability, and are hereby attached.

Original signed

Sonja Bovan, CPA, CA
Manager, Accounting Services

Original signed

Jonathan Janzen, CPA, CA
Director, Corporate Services/Treasurer



Schedule “1”

Financial Report

Town of Fort Erie

2021

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Management's Report

The management of the Town of Fort Erie (the "Town") is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying consolidated financial statements.

The consolidated financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles established by the Public Sector Accounting Board of the Chartered Professional Accountants Canada. A summary of the significant accounting policies is disclosed in Note 1 to the consolidated financial statements.

To meet its responsibility, management maintains comprehensive financial and internal control systems designed to ensure the proper authorization of transactions, the safeguarding of assets and the integrity of the financial data. The Town employs highly qualified professional staff and deploys an organizational structure that effectively segregates responsibilities, and appropriately delegates authority and accountability.

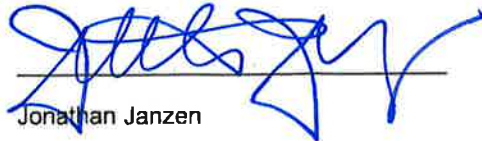
The Corporate and Community Services Committee, a sub-committee of Town Council ("Council"), reviews and approves the consolidated financial statements before they are submitted to Council. Management oversees the work of the external auditors performing financial statement attest audits. While it is important to recognize that the external audit is an independent process, management's role is to ensure that all significant audit issues are appropriately addressed and resolved.

The 2021 consolidated financial statements have been examined by the Town of Fort Erie's external auditors, Grant Thornton LLP, and their report precedes the consolidated financial statements.



Chris McQueen

Chief Administrative Officer



Jonathan Janzen

Director, Corporate Services

July 28, 2022

Grant Thornton LLP
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Independent auditor's report

To the Members of Council, Inhabitants and Taxpayers of the
Corporation of the Town of Fort Erie

Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Fort Erie ("the Municipality"), 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 Town of Fort Erie 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 Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality 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
July 28, 2022

Chartered Professional Accountants
Licensed Public Accountants

Town of Fort Erie

Consolidated Statement of Financial Position

As at December 31, 2021

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents (Note 2)	\$ 52,013,544	\$ 52,003,674
Portfolio investments (Note 3)	45,834,634	34,587,430
Taxes receivable	3,505,243	3,898,330
Accounts receivable	6,311,265	5,753,183
Inventory held for resale	26,070	31,580
	<u>107,690,756</u>	<u>96,274,197</u>
Liabilities		
Accounts payable and accrued liabilities	21,275,159	16,200,182
Deferred revenue (Note 4)	22,188,181	16,850,943
Long term debt (Note 5)	4,701,148	5,524,769
Employee benefit obligations (Note 6)	736,700	684,100
	<u>48,901,188</u>	<u>39,259,994</u>
Net financial assets	<u>58,789,568</u>	<u>57,014,203</u>
Non-financial assets		
Tangible capital assets (Note 7 and Pages 25 and 26)	243,215,827	231,327,803
Prepaid expenses	23,037	28,027
	<u>243,238,864</u>	<u>231,355,830</u>
Accumulated surplus (Note 8)	<u>\$ 302,028,432</u>	<u>\$ 288,370,033</u>

Contingencies and liabilities for contaminated sites (Notes 18 and 19)

Impacts of COVID-19 (Note 22)

Approved by

Chief Administrative Officer

Director, Corporate Services

See accompanying notes to the consolidated financial statements.

Town of Fort Erie

Consolidated Statement of Operations

For the Year Ended December 31, 2021

	Budget 2021 (Note 17)	Actual 2021	Actual 2020
Revenues other than revenues related to capital			
Taxation (Note 10)	\$ 29,848,201	\$ 30,045,274	\$ 29,342,774
User charges (Note 12)	22,204,740	23,961,067	22,268,539
Government transfers (Note 13)	2,479,291	3,437,587	3,318,433
Penalties and interest	670,000	690,885	586,334
Investment income	670,997	1,187,332	1,224,557
Development charges earned (Note 4)	393,808	225,370	400,834
Other revenue (Note 14)	607,205	527,439	1,505,471
	<u>56,874,242</u>	<u>60,074,954</u>	<u>58,646,942</u>
Expenses			
General government	3,174,110	2,931,066	2,530,341
Protection to persons and property	5,294,143	5,289,082	4,989,286
Transportation services	11,436,542	11,675,815	11,523,155
Environmental services	19,955,561	19,007,708	18,995,166
Health services	1,047,896	867,868	820,228
Social and family services	79,985	44,082	53,043
Recreation and culture services	8,161,716	7,772,398	7,745,303
Planning and development	3,956,422	2,994,067	2,925,639
	<u>53,106,375</u>	<u>50,582,086</u>	<u>49,582,161</u>
Annual surplus before revenues related to tangible capital assets	<u>3,767,867</u>	<u>9,492,868</u>	<u>9,064,781</u>
Revenues related to tangible capital assets			
Government transfers (Note 13)	2,818,102	2,892,439	2,047,671
Development charges earned (Note 4)	2,727,972	580,399	56,003
Contributed tangible capital assets	-	-	4,446,716
Other revenues (Note 14)	887,371	692,693	156,841
	<u>6,433,445</u>	<u>4,165,531</u>	<u>6,707,231</u>
Annual surplus	10,201,312	13,658,399	15,772,012
Accumulated surplus (Note 8)			
Beginning of year	<u>288,370,033</u>	<u>288,370,033</u>	<u>272,598,021</u>
End of year	<u>\$ 298,571,345</u>	<u>\$ 302,028,432</u>	<u>\$ 288,370,033</u>

See accompanying notes to the consolidated financial statements.

Town of Fort Erie**Consolidated Statement of Changes in Net Financial Assets**For the Year Ended December 31, 2021

	Budget <u>2021</u> (Note 17)	Actual <u>2021</u>	Actual <u>2020</u>
Annual surplus	\$ 10,201,312	\$ 13,658,399	\$ 15,772,012
Amortization of tangible capital assets	8,075,805	9,253,130	9,900,852
Acquisition of tangible capital assets	(19,428,464)	(21,183,939)	(7,695,019)
Contributed assets	-	-	(4,446,716)
Proceeds from disposal of tangible capital assets	-	106,161	49,696
(Gain) loss on disposal of tangible capital assets	-	(63,376)	311,673
	(1,151,347)	1,770,375	13,892,498
Usage (acquisition) of prepaid expenses	-	4,990	(16,931)
Increase (decrease) in net financial assets	(1,151,347)	1,775,365	13,875,567
Net financial assets			
Beginning of year	57,014,203	57,014,203	43,138,636
End of year	\$ 55,862,856	\$ 58,789,568	\$ 57,014,203

See accompanying notes to the consolidated financial statements.

Town of Fort Erie

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
Increase (decrease) in cash and cash equivalents		
Operating transactions		
Annual surplus	\$ 13,658,399	\$ 15,772,012
Non-cash items:		
Amortization of tangible capital assets	9,253,130	9,900,852
(Gain) loss on disposal of tangible capital assets	(63,376)	311,673
Contributed assets	-	(4,446,716)
Decrease (increase) in taxes receivable	393,087	(226,911)
Increase in accounts receivables	(558,082)	(783,898)
Decrease in inventory held for resale	5,510	5,050
Increase (decrease) in accounts payable and accrued liabilities	5,074,977	(5,045,446)
Increase in deferred revenue	5,337,238	3,504,071
Increase in employee benefit obligations	52,600	64,400
Decrease (increase) in prepaid expenses	4,990	(16,931)
	<u>33,158,473</u>	<u>19,038,156</u>
Capital transactions		
Proceeds from sale of tangible capital assets	106,161	49,696
Acquisition of tangible capital assets	(21,183,939)	(7,695,019)
	<u>(21,077,778)</u>	<u>(7,645,323)</u>
Financing transactions		
Repayment of long term debt	(823,621)	(808,597)
Investing transactions		
Increase in portfolio investments, net	(11,247,204)	(5,156,264)
Net increase in cash	9,870	5,427,972
Cash (Note 2)		
Beginning of year	<u>52,003,674</u>	<u>46,575,702</u>
End of year	<u>\$ 52,013,544</u>	<u>\$ 52,003,674</u>

See accompanying notes to the consolidated financial statements.

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies

Management responsibility

The consolidated financial statements of the Town of Fort Erie (the "Municipality") are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality 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 committees, 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:

Fort Erie Public Library Board
Bridgeburg Station Business Improvement Area
Crystal Beach Business Improvement Area
Ridgeway Business Improvement Area
Community Gaming Development Corporation

Interdepartmental and organizational transactions and balances are eliminated.

The statements exclude trust assets and activities that are administered for the benefit of external parties (Note 16).

(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) Region 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.

(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.

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

(e) Deferred revenue

Resources restricted by agreement with an external party are recognized as revenue in the Municipality'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) Liabilities for contaminated sites

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

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

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

(g) 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.

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 tangible capital assets. The Municipality is not involved in the construction.

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.

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

(g) Tangible capital assets (continued)

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

Amortization is calculated on a straight-line basis to write-off the net cost of each asset over its estimated useful life for all classes except land. Land is considered to have an infinite life without amortization. Residual values of assets are assumed to be zero with any net gain or loss arising from the disposal of assets recognized in the statement of operations as "other revenue". Amortization is based on six months for the year of acquisition regardless of the month purchased and annually thereafter until the asset is fully amortized, disposed of or replaced. Assets under construction are not amortized until the asset is available for productive use.

Amortization is based on the following classifications and useful lives:

<u>Classification</u>	<u>Useful Life</u>
General land improvements	10-75 years
General buildings	15-50 years
General vehicles	10-20 years
General machinery and equipment	3-20 years
Infrastructure land improvements	20-90 years
Infrastructure buildings	30 years
Infrastructure linear	10-100 years
Infrastructure machinery and equipment	6-75 years

(h) 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.

(i) 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.

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

(i) Revenue recognition (continued)

i) Taxation (continued)

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 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.

(j) Use of estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Two areas in which management make estimates are with regards to an allowance for uncollectible taxes receivable and obligations for employee benefits.

(k) Budget figures

The budget is reflected on the Consolidated Statement of Operations. These figures include amortization that was presented but not approved with the budget.

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

2. Cash and cash equivalents	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 7,550	\$ 8,005
Bank balances	<u>52,005,994</u>	<u>51,995,669</u>
	<u>\$ 52,013,544</u>	<u>\$ 52,003,674</u>

An operating line of credit of \$ 2,500,000 has been established with TD Commercial Banking, of which none was used at December 31, 2021. An executed borrowing by-law in form and content satisfactory to TD is in effect to a limit of \$ 2,500,000. Interest is calculated at prime minus 0.50%.

3. Portfolio investments

	<u>Book Value</u> <u>2021</u>	<u>Market Value</u> <u>2021</u>	<u>Book Value</u> <u>2020</u>	<u>Market Value</u> <u>2020</u>
GICs	\$ 29,369,470	\$ 29,369,470	\$ 23,500,000	\$ 23,500,000
Step-ups	6,000,123	6,095,780	4,000,123	4,080,698
PPNs	3,000,000	3,222,913	1,000,000	1,078,211
Debentures	848,715	907,131	1,348,300	1,450,664
Bond Fund	2,389,457	2,224,424	2,350,480	2,257,014
Equity Fund	<u>4,226,869</u>	<u>5,771,685</u>	<u>2,388,527</u>	<u>3,486,507</u>
	<u>\$ 45,834,634</u>	<u>\$ 47,591,403</u>	<u>\$ 34,587,430</u>	<u>\$ 35,853,094</u>

Guaranteed investment certificates ("GICs"), step-up deposit notes ("step-ups"), principal protected notes ("PPNs"), and debentures carry an effective interest rate ranging from 0.79% to 3.44% with maturity dates ranging between March, 2022 to March, 2031. Interest is receivable on a semi-annual or annual basis.

Investments held in the One Investment Program ("Bond Fund" and "Equity Fund") are managed by Local Authority Services, an affiliate of the Association of Municipalities of Ontario and are fully liquid.

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

4. Deferred revenue

Revenues received that have been set aside for specific purposes due to restrictions by legislation of senior government or by agreement with external parties are included in deferred revenue and are reported on the Consolidated Statement of Financial Position. Changes in deferred revenue balances are as follows:

	<u>2020</u>	Externally Restricted Inflows <u>2021</u>	Revenue Earned <u>2021</u>	<u>2021</u>
Development Charges Act	\$ 11,542,017	\$ 5,022,035	\$ (805,769)	\$ 15,758,283
Canada Community-Building Fund	2,820,303	1,984,668	(1,475,616)	3,329,355
Provincial Gas Tax	167,879	289,501	(293,379)	164,001
Recreational Land (Planning Act)	355,219	701,609	(346,966)	709,862
Other	1,965,525	530,586	(269,431)	2,226,680
	<u>\$ 16,850,943</u>	<u>\$ 8,528,399</u>	<u>\$ (3,191,161)</u>	<u>\$ 22,188,181</u>

In addition, transaction activity includes:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 16,850,943	\$ 13,346,872
Contributions from		
Development Charges Act	4,816,701	3,329,532
Government transfers received		
Canada Community-Building Fund	1,910,280	931,625
Provincial Gas Tax	288,371	291,316
Recreational Land (Planning Act)	685,435	347,112
Other contributions	530,586	1,128,088
Investment income	297,026	218,867
	<u>8,528,399</u>	<u>6,246,540</u>
Revenues earned for		
Development charges	(805,769)	(456,837)
Canada Community-Building Fund	(1,475,616)	(849,565)
Provincial Gas Tax	(293,379)	(287,173)
Recreational Land (Planning Act)	(346,966)	(5,328)
Other	(269,431)	(1,143,566)
	<u>(3,191,161)</u>	<u>(2,742,469)</u>
Balance, end of year	\$ 22,188,181	\$ 16,850,943

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

5. 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

\$ 4,701,148 \$ 5,524,769

- (b) The balance of 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>
47-2010	Crescent Park storm/ water improvements	4.15%	2025	\$ 475,883	\$ 583,243
92-2010	Ridge Road road/ storm improvements	3.59%	2025	437,603	537,693
109-2011	Frenchman's Creek/ Thompson Road water improvements	3.70%	2031	770,000	847,000
92-2012	Garrison Road sewer	3.31%	2032	1,485,000	1,620,000
72-2013	Central Fire Station	1.40%-3.75%	2023	387,939	575,535
35-2016	LED street lights	1.20%-2.40%	2026	1,144,723	1,361,298
				<u>\$ 4,701,148</u>	<u>\$ 5,524,769</u>

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

2022	\$ 839,381
2023	855,980
2024	673,045
2025	686,978
2026	450,765

- (d) The Municipality incurred interest expense of \$ 164,533 (2020 - \$ 189,131) on long term debt during the year.

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

6. Employee benefit obligations

Employees having at least ten years of service with the Municipality and who retire under the Ontario Municipal Employees Retirement System (OMERS) early retirement provisions are eligible to receive medical benefits to the age of sixty-five. The Municipality and the employee share the cost of premiums for such benefits on a 50/50 basis.

Employee benefit obligations as at December 31, 2021 of \$ 630,200 (2020 - \$ 566,200) were determined by an actuarial valuation using a discount rate of 2.60% (2020 - 2.60%) and of this amount, \$ 736,700 (2020 - \$ 684,100) has been recognized on the Consolidated Statement of Financial Position of the Municipality, and \$ 106,500 (2020 - \$ 117,900) is an unamortized actuarial gain.

The Municipality's obligation under the post-employment provision of employment agreements is funded out of current revenue.

Actuarial valuations for accounting purposes are performed using the projected benefit method, pro-rated on service. Under this method, the projected post-employment benefits are deemed to be earned on a pro-rata basis over the employee's years of service. The most recent actuarial valuation for the retirement benefits was prepared at December 31, 2020.

	<u>2021</u>	<u>2020</u>
Accrued benefit obligation		
Beginning of year	\$ 684,100	\$ 619,700
Current period benefit cost	57,500	45,400
Interest accrued	16,100	24,500
Municipality's contributions	(9,600)	(9,600)
Amortization of actuarial (gain) loss	<u>(11,400)</u>	<u>4,100</u>
	<u>\$ 736,700</u>	<u>\$ 684,100</u>
Funded status		
Deficit	\$ 630,200	\$ 566,200
Unamortized actuarial gain	<u>106,500</u>	<u>117,900</u>
	<u>\$ 736,700</u>	<u>\$ 684,100</u>
Post-employment benefits expense is as follows:		
Current period benefit cost	\$ 57,500	\$ 45,400
Retirement interest expenditure	16,100	24,500
Amortization of actuarial (gain) loss	<u>(11,400)</u>	<u>4,100</u>
	<u>\$ 62,200</u>	<u>\$ 74,000</u>

The actuarial loss at the beginning of the period is amortized over the expected average remaining service life of 10.3 years (2020 - 9.9 years).

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

6. Employee benefit obligations (continued)

The main actuarial assumptions employed for the valuation are as follows:

(i) Interest (discount) rate

The obligations as at December 31, 2021 of the present value of future liabilities were determined using a discount rate of 2.60% (2020 - 2.60%).

(ii) Medical costs

Medical costs were assumed to be 5.00% in 2021 (2020 - 5.00%) and continue thereafter.

7. Tangible capital assets

(a) Work in progress

Work in progress having a value of \$ 25,594,419 (2020 - \$ 9,918,683) is not amortized. Amortization of these assets commence when the assets are placed in service.

(b) Contributed tangible capital assets

Contributed tangible capital assets are recognized at fair market value at the date of contribution. The value of contributed assets during the year is \$ Nil (2020 - \$ 4,446,716).

(c) Tangible capital assets at nominal values

Where an estimate of fair market value could not be made, tangible capital assets are recognized at a nominal value. Nominal values totalling \$ 1,340 (2020 - \$1,324) have been assigned to general building, general land improvements, general land, general machinery and equipment, general vehicles, infrastructure land improvements, infrastructure linear assets and infrastructure land categories.

(d) Net book value	<u>2021</u>	<u>2020</u>
General land	\$ 8,919,312	\$ 8,919,312
General land improvements	6,202,902	6,729,293
General buildings	20,015,324	20,798,268
General vehicles	3,030,828	3,381,544
General machinery and equipment	5,579,954	5,512,299
Infrastructure land	5,714,712	5,714,712
Infrastructure land improvements	2,361,363	2,513,296
Infrastructure buildings	62,211	66,706
Infrastructure linear	159,406,219	160,890,017
Infrastructure machinery and equipment	<u>6,328,583</u>	<u>6,883,673</u>
	217,621,408	221,409,120
Assets under construction	<u>25,594,419</u>	<u>9,918,683</u>
	<u>\$ 243,215,827</u>	<u>\$ 231,327,803</u>

Town of Fort Erie
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2021

8. Accumulated surplus	<u>2021</u>	<u>2020</u>
Consists of:		
Surpluses		
Town	\$ 15,937,337	\$ 22,052,038
Library	<u>436,909</u>	<u>360,124</u>
	<u>16,374,246</u>	<u>22,412,162</u>
Investment in tangible capital assets	<u>243,215,827</u>	<u>231,327,803</u>
Unfunded liabilities		
Long term debt (Note 5)	(4,701,148)	(5,524,769)
Employee benefit obligations (Note 6)	<u>(736,700)</u>	<u>(684,100)</u>
	<u>(5,437,848)</u>	<u>(6,208,869)</u>
Reserves and reserve funds (Note 9)	<u>47,876,207</u>	<u>40,838,937</u>
	<u>\$ 302,028,432</u>	<u>\$ 288,370,033</u>

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

9. Reserves and reserve funds	<u>2021</u>	<u>2020</u>
Reserves set aside for specific purposes by Council		
Working capital	\$ <u>776,995</u>	\$ <u>776,995</u>
Reserve funds set aside for specific purposes by Council		
Operating		
Bridgeburg BIA	25,240	24,727
Building permit surplus	1,122,513	552,977
CIP financial incentives	516,648	345,049
Community health and wellness	220,391	419,809
DSBN GFESS theatre	395,059	387,021
Elections	130,370	81,995
Emergency management	2,326,160	2,409,461
Encumbrances	895,302	566,198
General levy rate stabilization	6,526,004	5,100,214
Museum memorial fund	552,855	555,932
Ridgeway BIA	4,025	3,982
Self insurance	1,511,607	1,421,451
Sewer rate stabilization	1,773,788	1,175,850
South Niagara hospital	1,663,008	1,504,924
Water rate stabilization	2,061,478	1,830,935
	<u>19,724,448</u>	<u>16,380,525</u>
Capital		
Battlefield park pavilion	1,297	1,271
Bridges and culverts	910,304	323,861
Cemetery improvements	172,610	141,499
Developer deposits (Garrison Village)	320,431	313,912
Development charges - Town	578,314	874,486
Facilities maintenance	2,249,086	2,665,779
Fire equipment	1,066,879	852,165
Fire stations	-	4,582
Fleet equipment	1,288,197	1,468,160
Industrial land development	809,146	593,889
IT equipment	538,857	333,879
Major capital expenditure	2,687,222	2,462,246
Municipal drain	334,719	229,585
Museum	207,063	174,914
Office furniture and equipment	243,938	239,005
Parking	693,980	548,424
Recreational land - Town	2,979,177	2,057,186
Roads	2,666,472	4,026,200
Sanitary sewer	3,138,957	1,835,971
Storm sewer	2,261,503	1,865,197
Transit equipment	164,306	58,719
Water meter replacement	810,907	375,028
Waterfront development	18,177	17,252
Watermain	3,151,744	2,043,208
Wayfinding implementation	44,226	106,128
Zamboni replacement	37,252	68,871
	<u>27,374,764</u>	<u>23,681,417</u>
	\$ <u>47,876,207</u>	\$ <u>40,838,937</u>

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

10. Taxation	Budget 2021	Actual 2021	Actual 2020
Real property		\$ 66,718,000	\$ 65,490,846
From other governments			
Payments in lieu of taxes		<u>463,305</u>	<u>451,973</u>
		<u>67,181,305</u>	<u>65,942,819</u>
Less: taxation collected on behalf of:			
Region of Niagara (Note 11)		<u>28,763,194</u>	<u>27,789,933</u>
School boards (Note 11)		<u>8,372,837</u>	<u>8,810,112</u>
		<u>37,136,031</u>	<u>36,600,045</u>
Net taxes available for municipal purposes		<u>\$ 30,045,274</u>	<u>\$ 29,342,774</u>
Residential and farm	\$ 24,900,983	\$ 24,950,396	\$ 24,303,406
Multi-residential	535,586	538,950	535,911
Commercial	3,563,971	3,705,473	3,656,177
Industrial	<u>847,661</u>	<u>850,455</u>	<u>847,280</u>
Net taxes available for municipal purposes	<u>\$ 29,848,201</u>	<u>\$ 30,045,274</u>	<u>\$ 29,342,774</u>

11. Collections for the Region of Niagara and school boards

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

	2021	2020
Region of Niagara		
Taxation	\$ 28,763,194	\$ 27,789,933
Development charges	<u>6,264,977</u>	<u>4,487,896</u>
	<u>35,028,171</u>	<u>32,277,829</u>
School boards		
Taxation	8,372,837	8,810,112
Development charges	<u>130,187</u>	<u>38,249</u>
	<u>8,503,024</u>	<u>8,848,361</u>
	<u>\$ 43,531,195</u>	<u>\$ 41,126,190</u>

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).

The Municipality also collects development charges on behalf of the Region of Niagara and the school boards. Development charges collected in excess of those paid are recorded as accounts payable.

Town of Fort Erie
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2021

12. User charges	Budget 2021	Actual 2021	Actual 2020
Fees and service charges	\$ 1,599,984	\$ 2,382,636	\$ 1,553,879
Direct water billings	8,327,275	8,375,742	8,387,274
Sewer surcharge	11,239,226	11,206,408	11,000,217
Licences and permits	<u>1,038,255</u>	<u>1,996,281</u>	<u>1,327,169</u>
	<u>\$ 22,204,740</u>	<u>\$ 23,961,067</u>	<u>\$ 22,268,539</u>

13. Government transfers	Budget 2021	Actual 2021	Actual 2020
Operating			
Government of Canada	\$ 50,000	\$ 50,000	\$ 40,851
Province of Ontario	2,213,791	3,329,897	3,200,196
Other municipalities	<u>215,500</u>	<u>57,690</u>	<u>77,386</u>
	<u>2,479,291</u>	<u>3,437,587</u>	<u>3,318,433</u>
Capital			
Government of Canada	1,161,044	1,475,616	849,565
Province of Ontario	1,458,758	1,088,840	1,076,740
Other municipalities	198,300	327,983	118,516
Other	<u>-</u>	<u>-</u>	<u>2,850</u>
	<u>2,818,102</u>	<u>2,892,439</u>	<u>2,047,671</u>
	<u>\$ 5,297,393</u>	<u>\$ 6,330,026</u>	<u>\$ 5,366,104</u>

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

14. Other revenues	Budget 2021	Actual 2021	Actual 2020
Operating			
Rents and leases	\$ 186,325	\$ 201,645	\$ 204,559
Fines	103,310	152,982	113,534
Donations	7,825	43,307	13,133
Benefitting property owners	90,000	176	595
Sale of land	115,000	-	-
Other	104,745	129,329	1,173,650
	<u>607,205</u>	<u>527,439</u>	<u>1,505,471</u>
Capital			
Benefitting property owners	887,371	544,668	123,881
Donations	-	27,208	29,912
Gain from sale of assets	-	63,376	-
Other	-	57,441	3,048
	<u>887,371</u>	<u>692,693</u>	<u>156,841</u>
	<u>\$ 1,494,576</u>	<u>\$ 1,220,132</u>	<u>\$ 1,662,312</u>

15. 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 \$ 1,332,997 (2020 - \$ 1,317,793) and were matched by employee contributions in a similar amount.

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

16. Trust funds

Trust funds administered by the Municipality amounting to \$ 1,229,239 (2020 - \$ 1,173,149) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

17. Budget

The budget bylaw adopted by Council February 28, 2022 was not prepared on a basis consistent with that used to report actual results in accordance with Canadian public sector accounting standards. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. As a result, 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:

	Budget 2021	Actual 2021	Actual 2020
Approved operating surplus	\$ -	\$ 2,404,356	\$ 1,683,295
Net carry forwards and adjustments	-	66,762	50,868
	-	2,471,118	1,734,163
Add:			
Capital revenue	6,433,445	4,102,155	6,707,231
Net transfers to reserves	10,594,045	14,558,113	15,951,607
Reserve interest	345,637	827,251	672,724
Repayment of long term debt	823,621	823,621	808,597
Library operating surplus before amortization	99,360	176,270	198,286
Less:			
Amortization	(8,075,805)	(9,253,130)	(9,900,852)
Gross gain (loss) on sale of tangible capital assets	-	63,376	(311,673)
Operating surplus carried forward	(14,000)	(35,919)	(32,001)
Proceeds from sale of tangible capital assets	-	(106,161)	(49,696)
Other	(4,991)	31,705	(6,374)
Surplus reported on the Consolidated Statement of Operations	\$ 10,201,312	\$ 13,658,399	\$ 15,772,012

18. 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 consolidated financial statements.

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

19. Liabilities for contaminated sites

The Municipality reports environmental liabilities related to the management and remediation of any 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 exceeds environmental standards. A reasonable estimate of any liability cannot be made as the Municipality has not determined how the property will be used, therefore, no liability has been recognized.

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.

20. Segmented reporting

The Municipality is a diverse municipal government that provides a wide range of services to its citizens. Segmented information has been identified for the service lines that reflect the way in which the operations are managed and resource needs are identified and budgeted. Municipal activities are reported by function in the body of the financial statements.

Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General

The general provision of municipal services includes general government, fire services, transportation services, storm sewer services, planning and development, facilities, parks and cemeteries.

Water

The water operations install and maintain water capital infrastructure to ensure the safe supply, metering and cost recovery for all treated water to serviced areas within all urban and settlement areas of the Municipality.

Wastewater

The wastewater operations install and maintain wastewater capital infrastructure and recover costs of providing this service within all urban and settlement areas of the Municipality.

Library

The Fort Erie Public Library Board provides library services, materials and facilities. The Municipality controls the board and consolidates the financial activities with the Town of Fort Erie.

Town of Fort Erie

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

20. Segmented reporting (continued)

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

21. Comparative figures

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

22. 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. The Municipality has 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 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.

Town of Fort Erie

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2021

	Cost				Accumulated Amortization				Net Book Value	
	Beginning of Year	Additions	Disposals, Write-downs and Transfers	End of Year	Beginning of Year	Amortization	Disposals	End of Year	Beginning of Year	End of Year
General										
Land	\$ 8,919,312	\$ -	\$ -	\$ 8,919,312	\$ -	\$ -	\$ -	\$ -	\$ 8,919,312	\$ 8,919,312
Land improvements	18,535,010	143,251	-	18,678,261	11,805,717	669,642	-	12,475,359	6,729,293	6,202,902
Buildings	34,575,092	97,984	-	34,673,076	13,776,824	880,928	-	14,657,752	20,798,268	20,015,324
Vehicles	8,844,468	88,627	(31,350)	8,901,745	5,462,924	438,784	(30,791)	5,870,917	3,381,544	3,030,828
Machinery and equipment	14,037,134	860,643	(555,872)	14,341,905	8,524,835	792,988	(555,872)	8,761,951	5,512,299	5,579,954
	84,911,016	1,190,505	(587,222)	85,514,299	39,570,300	2,782,342	(586,663)	41,765,979	45,340,716	43,748,320
Infrastructure										
Land	5,714,712	-	-	5,714,712	-	-	-	-	5,714,712	5,714,712
Land improvements	4,366,915	-	-	4,366,915	1,853,619	151,933	-	2,005,552	2,513,296	2,361,363
Buildings	134,770	-	-	134,770	68,064	4,495	-	72,559	66,706	62,211
Linear	270,861,173	4,306,630	(183,568)	274,984,235	109,971,156	5,748,202	(141,342)	115,578,016	160,890,017	159,406,219
Machinery and equipment	11,009,989	11,068	-	11,021,057	4,126,316	566,158	-	4,692,474	6,883,673	6,328,583
	292,087,559	4,317,698	(183,568)	296,221,689	116,019,155	6,470,788	(141,342)	122,348,601	176,068,404	173,873,088
	376,998,575	5,508,203	(770,790)	381,735,988	155,589,455	9,253,130	(728,005)	164,114,580	221,409,120	217,621,408
Assets under construction	9,918,683	21,061,641	(5,385,905)	25,594,419	-	-	-	-	9,918,683	25,594,419
	\$ 386,917,258	\$ 26,569,844	\$ (6,156,695)	\$ 407,330,407	\$ 155,589,455	\$ 9,253,130	\$ (728,005)	\$ 164,114,580	\$ 231,327,803	\$ 243,215,827

The value of contributed tangible capital assets during the year is \$ Nil.

Town of Fort Erie

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2020

	Cost				Accumulated Amortization				Net Book Value	
	Beginning of Year	Additions	Disposals, Write-downs and Transfers	End of Year	Beginning of Year	Amortization	Disposals	End of Year	Beginning of Year	End of Year
General										
Land	\$ 8,258,901	\$ 698,782	\$ (38,371)	\$ 8,919,312	\$ -	\$ -	\$ -	\$ -	\$ 8,258,901	\$ 8,919,312
Land improvements	15,350,968	3,193,438	(9,396)	18,535,010	11,209,949	605,164	(9,396)	11,805,717	4,141,019	6,729,293
Buildings	29,726,911	4,848,181	-	34,575,092	12,922,725	854,099	-	13,776,824	16,804,186	20,798,268
Vehicles	8,593,392	251,076	-	8,844,468	5,005,824	457,100	-	5,462,924	3,587,568	3,381,544
Machinery and equipment	13,520,454	994,274	(477,594)	14,037,134	8,202,516	799,913	(477,594)	8,524,835	5,317,938	5,512,299
	75,450,626	9,985,751	(525,361)	84,911,016	37,341,014	2,716,276	(486,990)	39,570,300	38,109,612	45,340,716
Infrastructure										
Land	5,714,715	-	(3)	5,714,712	-	-	-	-	5,714,715	5,714,712
Land improvements	4,366,915	-	-	4,366,915	1,548,076	305,543	-	1,853,619	2,818,839	2,513,296
Buildings	134,770	-	-	134,770	63,572	4,492	-	68,064	71,198	66,706
Linear	245,379,755	29,390,967	(3,909,549)	270,861,173	107,220,689	6,337,021	(3,586,554)	109,971,156	138,159,066	160,890,017
Machinery and equipment	10,045,399	1,002,169	(37,579)	11,009,989	3,626,375	537,520	(37,579)	4,126,316	6,419,024	6,883,673
	265,641,554	30,393,136	(3,947,131)	292,087,559	112,458,712	7,184,576	(3,624,133)	116,019,155	153,182,842	176,068,404
	341,092,180	40,378,887	(4,472,492)	376,998,575	149,799,726	9,900,852	(4,111,123)	155,589,455	191,292,454	221,409,120
Assets under construction	38,155,835	7,429,223	(35,666,375)	9,918,683	-	-	-	-	38,155,835	9,918,683
	\$ 379,248,015	\$ 47,808,110	\$ (40,138,867)	\$ 386,917,258	\$ 149,799,726	\$ 9,900,852	\$ (4,111,123)	\$ 155,589,455	\$ 229,448,289	\$ 231,327,803

The value of contributed tangible capital assets during the year is \$ 4,446,716.

Town of Fort Erie

Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2021

	<u>General</u>	<u>Water</u>	<u>Wastewater</u>	<u>Library</u>	<u>Eliminations</u>	<u>2021</u>
Revenues						
Taxation	\$ 29,924,402	\$ 22,397	\$ 98,475	\$ -	\$ -	\$ 30,045,274
User charges	4,099,763	8,603,458	11,257,846	-	-	23,961,067
Government transfers	4,826,616	206,734	1,235,994	1,552,500	(1,491,818)	6,330,026
Penalties and interest	690,885	-	-	-	-	690,885
Investment income	1,172,651	6,529	6,661	1,491	-	1,187,332
Development charges earned	648,101	11,059	146,609	-	-	805,769
Other revenues and contributed assets	<u>1,063,338</u>	<u>195,787</u>	<u>(29,842)</u>	<u>14,389</u>	<u>(23,540)</u>	<u>1,220,132</u>
	<u>42,425,756</u>	<u>9,045,964</u>	<u>12,715,743</u>	<u>1,568,380</u>	<u>(1,515,358)</u>	<u>64,240,485</u>
Expenses						
Salaries and benefits	15,221,520	1,748,238	645,360	1,062,642	-	18,677,760
Operating materials and supplies	3,963,879	4,254,403	482,117	315,919	-	9,016,318
Contracted services	5,029,117	121,161	7,927,379	-	-	13,077,657
External transfers to others	1,837,600	32,470	37,972	-	(1,515,358)	392,684
Amortization	7,281,921	1,043,809	746,899	180,505	-	9,253,134
Interest on long term debt	<u>72,189</u>	<u>16,819</u>	<u>75,525</u>	<u>-</u>	<u>-</u>	<u>164,533</u>
	<u>33,406,226</u>	<u>7,216,900</u>	<u>9,915,252</u>	<u>1,559,066</u>	<u>(1,515,358)</u>	<u>50,582,086</u>
Annual surplus	<u>\$ 9,019,530</u>	<u>\$ 1,829,064</u>	<u>\$ 2,800,491</u>	<u>\$ 9,314</u>	<u>\$ -</u>	<u>\$ 13,658,399</u>

Town of Fort Erie

Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2020

	<u>General</u>	<u>Water</u>	<u>Wastewater</u>	<u>Library</u>	<u>Eliminations</u>	<u>2020</u>
Revenues						
Taxation	\$ 29,221,902	\$ 22,397	\$ 98,475	\$ -	\$ -	\$ 29,342,774
User charges	2,657,341	8,573,725	11,037,473	-	-	22,268,539
Government transfers	5,125,065	44,658	132,849	1,545,550	(1,481,818)	5,366,104
Penalties and interest	586,334	-	-	-	-	586,334
Investment income	1,219,417	2,941	-	2,198	-	1,224,557
Development charges earned	155,647	23,228	277,962	-	-	456,837
Other revenues and contributed assets	<u>5,972,364</u>	<u>119,149</u>	<u>-</u>	<u>42,672</u>	<u>(25,156)</u>	<u>6,109,028</u>
	<u>44,938,070</u>	<u>8,786,098</u>	<u>11,546,759</u>	<u>1,590,420</u>	<u>(1,506,974)</u>	<u>65,354,173</u>
Expenses						
Salaries and benefits	14,054,700	1,721,014	625,842	1,060,425	-	17,461,781
Operating materials and supplies	4,031,852	4,077,386	502,888	318,989	-	8,931,115
Contracted services	4,182,695	122,210	8,067,485	-	-	12,372,390
External transfers to others	1,832,188	25,167	64,838	-	(1,506,974)	415,219
Amortization	7,796,617	1,064,948	860,092	179,195	-	9,900,852
Loss on disposal of assets	220,786	35,034	55,853	-	-	311,673
Interest on long term debt	<u>87,320</u>	<u>19,599</u>	<u>82,212</u>	<u>-</u>	<u>-</u>	<u>189,131</u>
	<u>32,206,158</u>	<u>7,065,358</u>	<u>10,259,210</u>	<u>1,558,609</u>	<u>(1,506,974)</u>	<u>49,582,161</u>
Annual surplus	<u>\$ 12,731,912</u>	<u>\$ 1,720,740</u>	<u>\$ 1,287,549</u>	<u>\$ 31,811</u>	<u>\$ -</u>	<u>\$ 15,772,012</u>

Town of Fort Erie

Consolidated Schedule of Segment Disclosure

with Budget Information

For the Year Ended December 31, 2021

	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
General			
Revenues			
Taxation	\$ 29,727,300	\$ 29,924,402	\$ 29,221,902
User charges	2,418,239	4,099,763	2,657,341
Government transfers	5,053,711	4,826,616	5,125,065
Penalties and interest	670,000	690,885	586,334
Investment income	668,997	1,172,651	1,219,417
Development charges earned	2,850,569	648,101	155,647
Other revenues and contributed assets	1,489,979	1,063,338	5,972,364
	<u>42,878,795</u>	<u>42,425,756</u>	<u>44,938,070</u>
Expenses			
Salaries and benefits	15,481,211	15,221,520	14,054,700
Operating materials and supplies	4,747,738	3,963,879	4,031,852
Contracted services	6,412,631	5,029,117	4,182,695
External transfers to others	2,208,465	1,837,600	1,832,188
Amortization	6,179,391	7,281,921	7,796,617
Loss on disposal of assets	-	-	220,786
Interest on long term debt	72,171	72,189	87,320
	<u>35,101,607</u>	<u>33,406,226</u>	<u>32,206,158</u>
Annual surplus	<u>\$ 7,777,188</u>	<u>\$ 9,019,530</u>	<u>\$ 12,731,912</u>

Town of Fort Erie **Consolidated Schedule of Segment Disclosure** **with Budget Information**

For the Year Ended December 31, 2021

	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
Water			
Revenues			
Taxation	\$ 22,397	\$ 22,397	\$ 22,397
User charges	8,506,275	8,603,458	8,573,725
Government transfers	-	206,734	44,658
Investment income	-	6,529	2,941
Development charges earned	-	11,059	23,228
Other revenues	25,597	195,787	119,149
	<u>8,554,269</u>	<u>9,045,964</u>	<u>8,786,098</u>
Expenses			
Salaries and benefits	1,606,060	1,748,238	1,721,014
Operating materials and supplies	4,437,920	4,254,403	4,077,386
Contracted services	180,318	121,161	122,210
External transfers to others	41,250	32,470	25,167
Amortization	1,043,809	1,043,809	1,064,948
Loss on disposal of assets	-	-	35,034
Interest on long term debt	16,819	16,819	19,599
	<u>7,326,176</u>	<u>7,216,900</u>	<u>7,065,358</u>
Annual surplus	<u>\$ 1,228,093</u>	<u>\$ 1,829,064</u>	<u>\$ 1,720,740</u>

Town of Fort Erie

Consolidated Schedule of Segment Disclosure

with Budget Information

For the Year Ended December 31, 2021

	<u>Budget</u> <u>2021</u>	<u>Actual</u> <u>2021</u>	<u>Actual</u> <u>2020</u>
Wastewater			
Revenues			
Taxation	\$ 98,504	\$ 98,475	\$ 98,475
User charges	11,280,226	11,257,846	11,037,473
Government transfers	175,500	1,235,994	132,849
Investment income	-	6,661	-
Development charges earned	271,211	146,609	277,962
Other	-	(29,842)	-
	<u>11,825,441</u>	<u>12,715,743</u>	<u>11,546,759</u>
Expenses			
Salaries and benefits	828,722	645,360	625,842
Operating materials and supplies	515,100	482,117	502,888
Contracted services	8,446,557	7,927,379	8,067,485
External transfers to others	55,325	37,972	64,838
Amortization	672,100	746,899	860,092
Loss on disposal of assets	-	-	55,853
Interest on long term debt	75,461	75,525	82,212
	<u>10,593,265</u>	<u>9,915,252</u>	<u>10,259,210</u>
Annual surplus	<u>\$ 1,232,176</u>	<u>\$ 2,800,491</u>	<u>\$ 1,287,549</u>

Town of Fort Erie
Consolidated Schedule of Segment Disclosure
with Budget Information

For the Year Ended December 31, 2021

	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
Library			
Revenues			
Government transfers	\$ 1,672,500	\$ 1,552,500	\$ 1,545,550
Investment income	2,000	1,491	2,198
Other revenues	<u>11,000</u>	<u>14,389</u>	<u>42,672</u>
	<u>1,685,500</u>	<u>1,568,380</u>	<u>1,590,420</u>
Expenses			
Salaries and benefits	1,180,000	1,062,642	1,060,425
Operating materials and supplies	361,140	315,919	318,989
Amortization	<u>180,505</u>	<u>180,505</u>	<u>179,195</u>
	<u>1,721,645</u>	<u>1,559,066</u>	<u>1,558,609</u>
Annual surplus (deficit)	<u>\$ (36,145)</u>	<u>\$ 9,314</u>	<u>\$ 31,811</u>

Independent auditor's report

To the Members of Council, Inhabitants and Taxpayers of the Corporation of the Town of Fort Erie

Opinion

We have audited the financial statements of the Trust Funds of the Corporation of the Town of Fort Erie ("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 Town of Fort Erie 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Port Colborne, Canada
July 28, 2022

Chartered Professional Accountants
Licensed Public Accountants

Town of Fort Erie
Trust Funds
Statement of Financial Position

As at December 31, 2021

	Cemetery Perpetual Care	Library	Total 2021	Total 2020
Assets				
Cash	\$ 238,492	\$ 92,961	\$ 331,453	\$ 557,131
Investments (Note 2)	800,000	-	800,000	600,000
Interest receivable	4,025	-	4,025	3,661
Due from Town of Fort Erie	<u>26,380</u>	<u>67,381</u>	<u>93,761</u>	<u>12,357</u>
Net assets	<u>\$ 1,068,897</u>	<u>\$ 160,342</u>	<u>\$ 1,229,239</u>	<u>\$ 1,173,149</u>

See accompanying notes to the financial statements.

Town of Fort Erie
Trust Funds
Statement of Operations and Changes in Net Assets

For the Year Ended December 31, 2021

	Cemetery Perpetual Care	Library	Total 2021	Total 2020
Revenues				
Donations	\$ -	\$ 545	\$ 545	\$ 200
Perpetual care agreements	39,908	-	39,908	24,497
Interest earned	14,892	745	15,637	21,163
	54,800	1,290	56,090	45,860
Expenses				
Interest transferred to cemetery maintenance	-	-	-	13,578
Excess of revenues over expenses	54,800	1,290	56,090	32,282
Net assets				
Beginning of year	1,014,097	159,052	1,173,149	1,140,867
End of year	\$ 1,068,897	\$ 160,342	\$ 1,229,239	\$ 1,173,149

See accompanying notes to the financial statements.

Town of Fort Erie
Trust Funds
Statement of Cash Flows

For the Year Ended December 31

2021

2020

Increase (decrease) in cash and cash equivalents

Operating transactions

Excess of revenues over expenses	\$ 56,090	\$ 32,282
(Increase) decrease in interest receivable	(364)	2,333
(Increase) decrease in due from Town of Fort Erie	<u>(81,404)</u>	<u>18,482</u>
	<u>(25,678)</u>	<u>53,097</u>

Investing transactions

Increase in investments, net	<u>(200,000)</u>	<u>-</u>
------------------------------	------------------	----------

Net (decrease) increase in cash (225,678) 53,097

Cash

Beginning of year	<u>557,131</u>	<u>504,034</u>
End of year	<u>\$ 331,453</u>	<u>\$ 557,131</u>

See accompanying notes to the financial statements.

Town of Fort Erie

Trust Funds

Notes to the Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies

The financial statements of the Trust Funds of the Town of Fort Erie are the representation of management prepared in accordance with accounting policies prescribed for Canadian accounting standards for not-for-profit organizations. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of accounting

- (i) Sources of revenues and expenses are reported on the accrual basis of accounting.
- (ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable.

(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) Financial instruments

Initial measurement

The Trust Funds financial instruments, other than those resulting from transactions with related parties, 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.

Financial instruments in related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Trust Funds do not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Town of Fort Erie
Trust Funds
Notes to the Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

(c) Financial instruments (continued)

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Trust Funds initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Trust Funds has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

(d) Revenue recognition

(i) Perpetual care agreements and donations

Revenue is recorded when it is earned and collection is reasonably assured.

(ii) Interest

Interest income earned on investments is recorded as revenue in the period earned.

2. Investments

The investments are guaranteed investment certificates and carry an effective interest rate ranging from 1.35% to 2.90% and maturity dates ranging from September, 2022 to October, 2023. Interest is receivable on an annual basis. The carrying value approximates market value.

Financial Report

Bridgeburg Business Improvement Area

2021

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Independent auditor's report

**To the Board Members, Members of Council, Inhabitants and Taxpayers of the
Town of Fort Erie**

Qualified Opinion

We have audited the financial statements of Bridgeburg Business Improvement Area ("the Entity"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial 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, except for the effects of the matter described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly in all material respects, the financial position of Bridgeburg Business Improvement Area 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 Qualified Opinion

In common with many not-for-profit organizations, the Entity derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, annual surplus, and cash flows from operations for the years ended December 31, 2021 and 2020, net financial assets as at December 31, 2021 and 2020, and accumulated surplus as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 Entity 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 qualified 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 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 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 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 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 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 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
May 17, 2022

Chartered Professional Accountants
Licensed Public Accountants

**Town of Fort Erie
Bridgeburg Business Improvement Area
Statement of Financial Position**

As at December 31	2021	2020
Net financial assets		
Due from Town of Fort Erie	\$ 51,049	\$ 37,064
Non-financial assets		
Tangible capital assets (Note 3)	<u>12,376</u>	<u>9,791</u>
Accumulated surplus (Note 4)	<u>\$ 63,425</u>	<u>\$ 46,855</u>

Impacts of COVID-19 (Note 5)

On behalf of the Board

Chief Administrative Officer

Director, Corporate Services

See accompanying notes to the financial statements.

Town of Fort Erie
Bridgeburg Business Improvement Area
Statement of Operations

For the Year Ended December 31, 2021

	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
Revenues			
Tax levy, net of write-offs	\$ 40,709	\$ 40,005	\$ 40,709
Grants	7,900	7,900	7,900
Donations	-	10,500	-
Reserve fund interest	-	285	514
	<u>48,609</u>	<u>58,690</u>	<u>49,123</u>
Expenses			
Amortization	1,200	1,567	1,153
Contracted services	26,300	22,656	35,737
Meetings	200	92	-
Office	800	3,573	803
Promotional activities	5,709	13,141	656
Repairs and maintenance	5,600	-	-
Special marketing program	10,000	1,091	1,325
	<u>49,809</u>	<u>42,120</u>	<u>39,674</u>
Annual surplus (deficit)	(1,200)	16,570	9,449
Accumulated surplus (Note 4)			
Beginning of year	<u>46,855</u>	<u>46,855</u>	<u>37,406</u>
End of year	<u>\$ 45,655</u>	<u>\$ 63,425</u>	<u>\$ 46,855</u>

See accompanying notes to the financial statements.

Town of Fort Erie
Bridgeburg Business Improvement Area
Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2021

	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
Increase (decrease) in net financial assets			
Annual surplus (deficit)	\$ (1,200)	\$ 16,570	\$ 9,449
Amortization of tangible capital assets	1,200	1,567	1,153
Acquisition of tangible capital assets	<u>-</u>	<u>(4,152)</u>	<u>-</u>
Increase (decrease) in net financial assets	-	13,985	10,602
Net financial assets			
Beginning of year	<u>37,064</u>	<u>37,064</u>	<u>26,462</u>
End of year	<u>\$ 37,064</u>	<u>\$ 51,049</u>	<u>\$ 37,064</u>

See accompanying notes to the financial statements.

Town of Fort Erie
Bridgeburg Business Improvement Area
Statement of Cash Flows

For the Year Ended December 31

2021

2020

Increase (decrease) in cash and cash equivalents

Operating transactions

Annual surplus	\$ 16,570	\$ 9,449
Non-cash items		
Amortization of tangible capital assets	1,567	1,153
Increase in due from Town of Fort Erie	<u>(13,985)</u>	<u>(10,602)</u>

4,152 -

Capital transactions

Acquisition of tangible capital assets	<u>(4,152)</u>	-
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Increase (decrease) in cash and cash equivalents

- -

Cash and cash equivalents

Beginning of year	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

Town of Fort Erie

Bridgeburg Business Improvement Area

Notes to the Financial Statements

For the Year Ended December 31, 2021

1. Purpose of the Business Improvement Area

The Business Improvement Area (BIA) was established by the Council of the Town of Fort Erie and has been entrusted with the improvement, beautification and maintenance of Municipality owned lands, buildings and structures in the improvement area. The BIA is also responsible for the promotion of this improvement area for business and shopping.

The Board is financed by a special levy charged upon businesses in the improvement area.

2. Significant accounting policies

The financial statements of the BIA are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of accounting

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

(b) Reporting entity

The financial statements reflect the financial assets, liabilities, non-financial assets, revenues, expenses and changes in accumulated surplus of the BIA.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(d) Revenue recognition

Government transfers, which include municipal contributions, are recognized in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria or stipulations have been met and reasonable estimates of the amounts can be made. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

Investment income is reported as revenue in the period earned. Other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

Town of Fort Erie

Bridgeburg Business Improvement Area

Notes to the Financial Statements

For the Year Ended December 31, 2021

2. Significant accounting policies (continued)

(e) 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 BIA 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 financial statements.

Leases are classified as capital or operating leases. Leases that transfer substantially all of the 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 statement of operations as "other revenue". Amortization is based on six months for the year of acquisition regardless of the month purchased and annually thereafter until the asset is fully amortized, disposed of or replaced.

Amortization is based on the following classifications and useful lives:

<u>Classification</u>	<u>Useful Life</u>
General machinery and equipment	5-10 years

(f) Use of estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Town of Fort Erie

Bridgeburg Business Improvement Area

Notes to the Financial Statements

For the Year Ended December 31, 2021

3. Tangible capital assets	<u>2021</u>	<u>2020</u>
General machinery and equipment		
Cost, beginning of year	\$ 11,520	\$ 11,520
Add additions during the year	4,152	-
Less disposals during the year	<u>-</u>	<u>-</u>
Cost, end of year	<u>15,672</u>	<u>11,520</u>
Accumulated amortization, beginning of year	1,729	576
Add amortization during the year	<u>1,567</u>	<u>1,153</u>
Accumulated amortization, end of year	<u>3,296</u>	<u>1,729</u>
Net book value	<u>\$ 12,376</u>	<u>\$ 9,791</u>
4. Accumulated surplus	<u>2021</u>	<u>2020</u>
Operations	\$ 26,038	\$ 12,337
Investment in tangible capital assets	12,376	9,791
Reserve fund	<u>25,011</u>	<u>24,727</u>
	<u>\$ 63,425</u>	<u>\$ 46,855</u>

5. 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 BIA had to limit activity during its fiscal year due to the COVID-19 pandemic. The BIA has 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 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 BIA for future periods.

Financial Report

Crystal Beach Business Improvement Area

2021

Grant Thornton LLP
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Independent auditor's report

**To the Board Members, Members of Council, Inhabitants and Taxpayers of the
Town of Fort Erie**

Qualified Opinion

We have audited the financial statements of Crystal Beach Business Improvement Area ("the BIA"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial 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, except for the effects of the matter described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly in all material respects, the financial position of Crystal Beach Business Improvement Area 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 Qualified Opinion

In common with many not-for-profit organizations, the BIA derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the BIA. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, annual surplus (deficit), and cash flows from operations for the years ended December 31, 2021 and 2020, net financial assets as at December 31, 2021 and 2020, and accumulated surplus as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 BIA 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 qualified 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 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 BIA'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 BIA or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BIA'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 BIA'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 BIA 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
May 17, 2022

Chartered Professional Accountants
Licensed Public Accountants

Town of Fort Erie
Crystal Beach Business Improvement Area
Statement of Financial Position

As at December 31	2021	2020
Net financial assets		
Due from Town of Fort Erie	\$ 20,542	\$ 16,299
Non-financial assets		
Tangible capital assets (Note 3)	<u>8,432</u>	<u>9,267</u>
Accumulated surplus (Note 4)	<u>\$ 28,974</u>	<u>\$ 25,566</u>

Impacts of COVID-19 (Note 5)

On behalf of the Board

Chief Administrative Officer

Director, Corporate Services

See accompanying notes to the financial statements.

Town of Fort Erie
Crystal Beach Business Improvement Area
Statement of Operations

For the Year Ended December 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenues			
Tax levy, net of write-offs	\$ 15,000	\$ 15,336	\$ -
Grants	-	-	764
Farmer's market	-	2,462	-
Fundraising	20,400	-	-
Donations	4,000	-	-
	<u>39,400</u>	<u>17,798</u>	<u>764</u>
Expenses			
Contracted services	21,850	5,574	1,354
Office	1,010	1,059	-
Promotional activities	30,540	1,818	4,126
Amortization	5,400	5,939	5,429
	<u>58,800</u>	<u>14,390</u>	<u>10,909</u>
Annual surplus (deficit)	(19,400)	3,408	(10,145)
Accumulated surplus (Note 4)			
Beginning of year	<u>25,566</u>	<u>25,566</u>	<u>35,711</u>
End of year	<u>\$ 6,166</u>	<u>\$ 28,974</u>	<u>\$ 25,566</u>

See accompanying notes to the financial statements.

Town of Fort Erie
Crystal Beach Business Improvement Area
Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2021

	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
Increase (decrease) in net financial assets			
Annual surplus (deficit)	\$ (19,400)	\$ 3,408	\$ (10,145)
Amortization of tangible capital assets	5,400	5,939	5,429
Acquisition of tangible capital assets	<u>-</u>	<u>(5,104)</u>	<u>-</u>
Increase (decrease) in net financial assets	(14,000)	4,243	(4,716)
Net financial assets			
Beginning of year	<u>16,299</u>	<u>16,299</u>	<u>21,015</u>
End of year	<u>\$ 2,299</u>	<u>\$ 20,542</u>	<u>\$ 16,299</u>

See accompanying notes to the financial statements.

Town of Fort Erie **Crystal Beach Business Improvement Area** **Statement of Cash Flows**

For the Year Ended December 31

2021

2020

Increase (decrease) in cash and cash equivalents

Operating transactions

Annual surplus (deficit)	\$ 3,408	\$ (10,145)
Non-cash item		
Amortization of tangible capital assets	5,939	5,429
(Increase) decrease in due from Town of Fort Erie	<u>(4,243)</u>	<u>4,716</u>

5,104 -

Capital transactions

Acquisition of tangible capital assets	<u>(5,104)</u>	-
--	----------------	---

Increase (decrease) in cash and cash equivalents

- -

Cash

Beginning of year	-	-
-------------------	---	---

End of year	<u>\$ -</u>	<u>\$ -</u>
-------------	-------------	-------------

See accompanying notes to the financial statements.

Town of Fort Erie

Crystal Beach Business Improvement Area

Notes to the Financial Statements

For the Year Ended December 31, 2021

1. Purpose of the Business Improvement Area

The Business Improvement Area (BIA) was established by the Council of the Town of Fort Erie and has been entrusted with the improvement, beautification and maintenance of Municipality owned lands, buildings and structures in the improvement area. The BIA is also responsible for the promotion of this improvement area for business and shopping.

The Board is financed by a special levy charged upon businesses in the improvement area.

2. Significant accounting policies

The financial statements of the BIA are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Basis of accounting

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

(b) Reporting entity

The financial statements reflect the financial assets, liabilities, non-financial assets, revenues, expenses and changes in accumulated surplus of the BIA.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(d) Revenue recognition

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

(e) 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 BIA does not capitalize interest as part of the costs of its capital assets.

Town of Fort Erie

Crystal Beach Business Improvement Area

Notes to the Financial Statements

For the Year Ended December 31, 2021

2. Significant accounting policies (continued)

(e) 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 financial statements.

Leases are classified as capital or operating leases. Leases that transfer substantially all of the 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 statement of operations as "other revenue". Amortization is based on six months for the year of acquisition regardless of the month purchased and annually thereafter until the asset is fully amortized, disposed of or replaced.

Amortization is based on the following classifications and useful lives:

<u>Classification</u>	<u>Useful Life</u>
General machinery and equipment	5 years

(f) Use of estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Town of Fort Erie

Crystal Beach Business Improvement Area

Notes to the Financial Statements

For the Year Ended December 31, 2021

3. Tangible capital assets	<u>2021</u>	<u>2020</u>
General machinery and equipment		
Cost, beginning of year	\$ 41,949	\$ 41,949
Add additions during the year	5,104	-
Less disposals during the year	<u>-</u>	<u>-</u>
Cost, end of year	<u>47,053</u>	<u>41,949</u>
Accumulated amortization, beginning of year	32,682	27,253
Add amortization during the year	<u>5,939</u>	<u>5,429</u>
Accumulated amortization, end of year	<u>38,621</u>	<u>32,682</u>
Net book value	<u>\$ 8,432</u>	<u>\$ 9,267</u>
4. Accumulated surplus	<u>2021</u>	<u>2020</u>
Operations	\$ 20,542	\$ 16,299
Investment in tangible capital assets	<u>8,432</u>	<u>9,267</u>
	<u>\$ 28,974</u>	<u>\$ 25,566</u>

5. 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 BIA had to limit activity during its fiscal year due to the COVID-19 pandemic. The BIA has 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 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 BIA for future periods.

Financial Report

Ridgeway Business Improvement Area

2021

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Independent auditor's report

**To the Board Members, Members of Council, Inhabitants and Taxpayers of the
Town of Fort Erie**

Qualified Opinion

We have audited the financial statements of Ridgeway Business Improvement Area ("the BIA"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial 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, except for the effects of the matter described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly in all material respects, the financial position of Ridgeway Business Improvement Area 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 Qualified Opinion

In common with many not-for-profit organizations, the BIA derives revenue from fundraising activities and special events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the BIA. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue and special events, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 BIA 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 qualified 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 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 BIA'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 BIA or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BIA'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 BIA'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 BIA 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
May 17, 2022

Chartered Professional Accountants
Licensed Public Accountants

Town of Fort Erie
Ridgeway Business Improvement Area
Statement of Financial Position

As at December 31	2021	2020
Assets		
Cash	\$ -	\$ 13,823
HST receivable	-	1,034
Grant receivable	-	25,900
Due from Town of Fort Erie	<u>43,488</u>	<u>-</u>
	43,488	40,757
Liabilities		
Accounts payable and accrued liabilities	<u>-</u>	<u>4,683</u>
Net financial assets and accumulated surplus (Note 3)	<u>\$ 43,488</u>	<u>\$ 36,074</u>

Impacts of COVID-19 (Note 5)

On behalf of the Board

Chief Administrative Officer

Director, Corporate Services

See accompanying notes to the financial statements.

Town of Fort Erie
Ridgeway Business Improvement Area
Statement of Operations

For the Year Ended December 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenues			
Tax levy, net of write-offs	\$ 35,000	\$ 35,000	\$ 17,500
Grants	12,500	12,500	8,400
Donations	2,000	6,139	7,280
Farmer's market	5,200	10,470	11,705
Reserve fund interest	-	9	-
Special events	2,000	7,028	-
	<u>56,700</u>	<u>71,146</u>	<u>44,885</u>
Expenses			
Advertising	21,660	10,783	10,763
Beautification	4,430	5,502	4,352
Contracted services	26,335	24,523	23,602
Membership	1,700	453	1,622
Miscellaneous	-	-	1,095
Office	575	386	950
Special events	2,000	22,085	2,967
	<u>56,700</u>	<u>63,732</u>	<u>45,351</u>
Annual surplus (deficit)	-	7,414	(466)
Accumulated surplus (Note 3)			
Beginning of year	<u>36,074</u>	<u>36,074</u>	<u>36,540</u>
End of year	<u>\$ 36,074</u>	<u>\$ 43,488</u>	<u>\$ 36,074</u>

See accompanying notes to the financial statements.

Town of Fort Erie
Ridgeway Business Improvement Area
Statement of Changes in Net Financial Assets

For the Year Ended December 31, 2021

	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
Increase (decrease) in net financial assets			
Annual surplus (deficit)	\$ -	\$ 7,414	\$ (466)
Increase (decrease) in net financial assets	-	7,414	(466)
Net financial assets			
Beginning of year	<u>36,074</u>	<u>36,074</u>	<u>36,540</u>
End of year	<u>\$ 36,074</u>	<u>\$ 43,488</u>	<u>\$ 36,074</u>

See accompanying notes to the financial statements.

Town of Fort Erie
Ridgeway Business Improvement Area
Statement of Cash Flows

For the Year Ended December 31

2021

2020

Increase (decrease) in cash and cash equivalents

Operating transactions

Annual surplus (deficit)	\$ 7,414	\$ (466)
Decrease in HST receivable	1,034	2,024
Decrease (increase) in grant receivable	25,900	(14,223)
Decrease in accounts payable	(4,683)	(129)
Increase in due from Town of Fort Erie	<u>(43,488)</u>	<u>-</u>

Increase (decrease) in cash and cash equivalents

(13,823) (12,794)

Cash and cash equivalents

Beginning of year	<u>13,823</u>	<u>26,617</u>
End of year	<u>\$ -</u>	<u>\$ 13,823</u>

See accompanying notes to the financial statements.

Town of Fort Erie

Ridgeway Business Improvement Area

Notes to the Financial Statements

For the Year Ended December 31, 2021

1. Purpose of the Business Improvement Area

The Business Improvement Area (BIA) was established by the Council of the Town of Fort Erie and has been entrusted with the improvement, beautification and maintenance of Municipality owned lands, buildings and structures in the improvement area. The BIA is also responsible for the promotion of this improvement area for business and shopping.

The Board is financed by a special levy charged upon businesses in the improvement area.

The accounting for transactions of the BIA was taken over by the Town of Fort Erie on October 1, 2021.

2. Significant accounting policies

The financial statements of the BIA are prepared by management in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the BIA are as follows:

(a) Basis of accounting

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

(b) Reporting entity

The financial statements reflect the financial assets, liabilities, non-financial assets, revenues, expenses and changes in accumulated surplus of the BIA.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(d) Revenue recognition

Government transfers, which include municipal contributions, and provincial and federal grants, are recognized in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria or stipulations have been met and reasonable estimates of the amounts can be made. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

Investment income is reported as revenue in the period earned. Other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

Town of Fort Erie

Ridgeway Business Improvement Area

Notes to the Financial Statements

For the Year Ended December 31, 2020

2. Significant accounting policies (continued)

(e) Use of estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Accumulated surplus	<u>2021</u>	<u>2020</u>
Operating surplus (Note 4)	\$ 39,497	\$ 32,092
Reserve fund	<u>3,991</u>	<u>3,982</u>
	<u>\$ 43,488</u>	<u>\$ 36,074</u>

4. Operating surplus	<u>2021</u>	<u>2020</u>
Annual surplus (deficit)	\$ 7,414	\$ (466)
Less: transfer to reserve	<u>(9)</u>	<u>-</u>
	7,405	(466)
Operating surplus		
Beginning of year	<u>32,092</u>	<u>32,558</u>
End of year	<u>\$ 39,497</u>	<u>\$ 32,092</u>

5. 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 BIA had to limit activity during its fiscal year due to the COVID-19 pandemic. The BIA has 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 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 BIA for future periods.

Town of Fort Erie
Five-Year Financial Review
(Unaudited)

	2021	2020	2019	2018	2017
Municipal statistics					
Population	32,901	30,710	30,710	30,710	30,710
Households (MPAC data)	15,792	15,792	15,697	15,569	15,569
Building permits					
Number of permits	826	594	644	578	590
Value of permits	\$ 258,846,238	\$ 128,728,575	\$ 107,696,200	\$ 95,391,400	88,075,450
Employees:					
Full-time	161	159	153	148	144
Full-time per 1,000 people	4.89	5.18	4.98	4.82	4.69
Total person hours worked (full and part-time)	363,809	354,541	349,945	331,315	324,000
Proportion of full-time employees covered by collective agreement	56%	59%	60%	58%	60%
Taxation Statistics					
Taxable assessment (upon which the year's rates were set):					
Residential, farm and multi-residential	\$3,609,356,185	\$3,534,985,872	\$3,398,946,986	\$3,231,267,887	\$3,111,246,178
Commercial, industrial and other	396,185,496	392,873,700	382,308,258	376,448,491	365,562,624
Total taxable assessment	\$4,005,541,681	\$3,927,859,572	\$3,781,255,244	\$3,607,716,378	\$3,476,808,802
Commercial, industrial and business as a percentage of taxable assessment	9.89%	10.00%	10.11%	10.43%	10.51%
Tax rate information (per dollar of assessed value)					
Residential and farm					
For Town purposes	0.680184%	0.678030%	0.682707%	0.684613%	0.678431%
For Region purposes	0.659507%	0.648386%	0.632440%	0.635034%	0.648269%
For school purposes	0.153000%	0.153000%	0.161000%	0.170000%	0.179000%
Total tax rate - residential and farm	1.492691%	1.479416%	1.476147%	1.489647%	1.505700%
Commercial					
For Town purposes	1.180051%	1.176314%	1.184428%	1.187735%	1.193089%
For Region purposes	1.144179%	1.124885%	1.097221%	1.101720%	1.140046%
For school purposes	0.880000%	0.980000%	1.030000%	1.090000%	1.140000%
Total tax rate - commercial	3.204230%	3.281199%	3.311649%	3.379455%	3.473135%
Industrial					
For Town purposes	1.788884%	1.783219%	1.795519%	1.800532%	1.784274%
For Region purposes	1.734504%	1.705256%	1.663317%	1.670140%	1.704947%
For school purposes	0.880000%	1.250000%	1.290000%	1.340000%	1.390000%
Total tax rate - industrial	4.403388%	4.738475%	4.748836%	4.810672%	4.879221%

Town of Fort Erie
Five-Year Financial Review
(Unaudited)

	2021	2020	2019	2018	2017
Taxation and payments in lieu (PIL)					
Town portion	\$ 30,045,275	\$ 29,342,774	\$ 28,333,067	\$ 27,255,298	\$ 27,294,085
Region portion	28,763,194	27,789,933	25,902,046	25,093,163	24,234,828
School board portion	8,372,837	8,810,112	8,646,555	8,844,326	8,631,013
Total taxation and PIL	\$ 67,181,307	\$ 65,942,819	\$ 62,881,668	\$ 61,192,787	\$ 60,159,927
Tax arrears					
Taxes receivable at December 31	\$ 3,505,243	\$ 3,898,330	\$ 3,671,419	\$ 3,359,856	\$ 3,360,706
Taxes receivable per capita	\$ 106.54	\$ 126.94	\$ 119.55	\$ 109.41	\$ 109.43
Tax amounts levied in current year	\$ 66,718,001	\$ 65,490,846	\$ 62,432,471	\$ 60,644,591	\$ 59,753,250
Tax arrears as a percentage of current levy	5.25%	5.95%	5.88%	5.54%	5.62%
Tax "under litigation" (JRA/Delta)					
Adjusted - Tax arrears as %	5.25%	5.95%	5.88%	5.54%	5.62%
Taxes receivable as % of tax lev	TBA	TBA	TBA	TBA	TBA
Tax write-offs					
Above, as % of tax levy	0.00%	0.00%	0.00%	0.00%	0.00%
Consolidated Statement of Financial Position					
Financial Assets					
Cash	\$ 52,013,544	\$ 52,003,674	\$ 46,575,702	\$ 25,531,060	\$ 25,142,057
Portfolio Investments	45,834,634	34,587,430	29,431,168	29,382,411	29,382,411
Taxes receivable	3,505,243	3,898,330	3,671,419	3,359,856	3,360,706
Accounts receivable	6,311,264	5,753,183	4,969,285	6,540,435	5,008,141
Inventory held for resale	26,070	31,580	36,630	43,518	43,518
	\$ 107,690,755	\$ 96,274,197	\$ 84,684,204	\$ 64,857,280	\$ 62,936,833
Liabilities					
Accounts payable and accrued liabilities	\$ 21,275,155	\$ 16,200,182	\$ 21,245,628	\$ 14,265,173	\$ 10,787,059
Deferred revenue	22,188,182	16,850,943	13,346,872	11,874,263	9,914,301
Long term debt outstanding	4,701,149	5,524,769	6,333,366	7,382,731	7,382,731
Employee Benefit Obligatoins	736,700	684,100	619,700	583,300	528,800
	\$ 48,901,186	\$ 39,259,994	\$ 41,545,566	\$ 34,105,467	\$ 28,612,891
Net financial assets (liabilities)	\$ 58,789,569	\$ 57,014,203	\$ 43,138,638	\$ 30,751,813	\$ 34,323,942
Non-financial assets					
Tangible capital assets	\$ 243,215,813	\$ 231,327,803	\$ 229,448,303	\$ 227,049,416	\$ 218,747,017
Prepaid expenses	23,037	28,027	11,096	10,437	20,424
Accumulated Surplus					
Unrestricted	\$ 19,840,614	\$ 22,412,162	\$ 18,551,049	\$ 12,901,597	\$ 13,367,161
Invested in tangible capital asse	243,215,829	231,327,803	229,448,303	227,049,416	218,747,017
Unfunded	(5,437,849)	(6,208,869)	(6,953,066)	(7,966,031)	(8,934,469)
Reserves	776,995	776,995	776,995	776,995	776,995
Reserve funds	43,632,846	40,061,942	30,774,756	25,049,689	23,531,317
Reserves and reserve funds	\$ 44,409,841	\$ 40,838,937	\$ 31,551,751	\$ 25,826,684	\$ 24,308,312
	\$ 302,028,435	\$ 288,370,033	\$ 272,598,037	\$ 257,811,666	\$ 247,488,021

Town of Fort Erie
Five-Year Financial Review
(Unaudited)

	2021	2020	2019	2018	2017
Statement of Financial Position Statistics					
Liquid assets/current liabilities (times)	\$ 2.44	\$ 3.21	\$ 2.19	\$ 1.79	\$ 2.33
Outstanding debt per capita	\$ 142.89	\$ 179.90	\$ 206.23	\$ 240.40	\$ 240.40
Charges for long term debt					
Principal	\$ 823,621	\$ 808,597	\$ 1,049,365	\$ 1,022,937	\$ 1,498,954
Interest	164,533	189,131	219,864	253,772	253,772
Annual debt servicing costs	\$ 988,154	\$ 997,728	\$ 1,269,229	\$ 1,276,709	\$ 1,752,726
Annual debt servicing costs per capita	\$ 30.03	\$ 32.49	\$ 41.33	\$ 41.57	\$ 57.07
Debt repayment limit (legal limit of additional annual debt charges as determined by the Province of Ontario)					
	\$ 12,014,508	\$ 11,373,627	\$ 10,392,014	\$ 10,344,490	\$ 9,411,062
Additions to tangible capital assets	\$ 26,569,838	\$ 12,141,735	\$ 10,915,255	\$ 16,379,793	\$ 5,975,382
Reserves as a % of Operating expenses (excl. amortization)	87.91%	82.37%	64.73%	64.73%	56.48%
Consolidated Statement of Operations					
Revenue					
Taxation	\$ 29,581,970	\$ 28,890,801	\$ 27,883,870	\$ 26,742,102	\$ 25,398,706
Payments in lieu of taxes	463,305	451,973	449,197	548,196	406,678
User charges	23,961,067	22,268,539	22,320,846	21,269,067	20,796,058
Government transfers	3,437,587	3,318,433	2,640,932	2,130,402	1,628,332
Development charges earned	225,370	400,834	398,352	657,989	699,047
Penalties and interest	690,885	586,334	650,769	978,028	654,398
Investment income	1,187,334	1,224,557	1,335,344	363,604	448,477
Other	527,437	1,505,471	871,869	548,903	675,099
	\$ 60,074,955	\$ 58,646,942	\$ 56,551,179	\$ 53,238,291	\$ 50,706,795
Expenses by function					
General government	\$ 2,825,322	\$ 2,530,341	\$ 2,541,082	\$ 2,854,226	\$ 2,532,169
Protection to persons and property	5,289,082	4,989,286	4,900,981	4,731,480	4,480,545
Transportation and services	11,686,239	11,523,155	10,523,338	9,524,552	9,426,867
Environmental services	19,039,642	18,995,166	18,256,570	18,597,146	18,116,710
Recreation and cultural services	7,772,399	7,745,303	7,868,838	8,415,683	7,724,356
Health, social and family services	911,950	873,271	1,158,420	1,028,055	668,888
Planning and development	2,994,066	2,925,639	3,496,458	3,366,135	2,949,728
	\$ 50,518,700	\$ 49,582,161	\$ 48,745,687	\$ 48,517,277	\$ 45,899,263
Revenue related to capital					
Government transfers	\$ 2,892,439	\$ 2,047,671	\$ 4,351,056	\$ 2,277,979	\$ 2,719,481
Development charges earned	580,399	56,003	673,166	648,760	493,570
Contributed tangible capital assets	-	4,446,716	50,484	1,779,724	173,289
Other	629,316	156,841	1,906,156	896,169	625,369
	\$ 4,102,154	\$ 6,707,231	\$ 6,980,862	\$ 5,602,632	\$ 4,011,709

Town of Fort Erie
Five-Year Financial Review
(Unaudited)

	2021	2020	2019	2018	2017
Annual Surplus (deficit)	13,658,409	15,772,012	14,786,354	10,323,646	8,819,241
Expenses by object					
Salary, wages and benefits	\$ 18,677,760	\$ 17,461,981	\$ 16,886,935	\$ 16,137,223	\$ 15,290,797
Materials and supplies	9,016,312	8,931,115	17,061,554	17,355,050	16,651,962
Contracted services	13,077,657	12,372,390	5,691,564	5,380,967	4,770,610
Amortization and loss on disposal of assets	9,189,759	10,212,525	8,210,254	7,956,184	7,996,712
Interest on long term debt	164,533	189,131	219,864	253,772	298,546
Transfer payments	392,685	415,019	675,518	1,434,081	890,636
	<u>\$ 50,518,706</u>	<u>\$ 49,582,161</u>	<u>\$ 48,745,688</u>	<u>\$ 48,517,276</u>	<u>\$ 45,899,263</u>
Trust funds	1,227,950	1,173,149	1,140,867	\$ 1,090,343	\$ 1,043,321