

July 22, 2021

SUBJECT: Recommendation for Consideration from:  
AUDIT & FINANCE COMMITTEE

MEMO TO: Council

FROM: Colleen Hutt, Acting Town Clerk

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The Audit & Finance Committee, at their meeting of July 20, 2021, recommended and approved the following for consideration by Council:

**Item 8.2 ADC-21-008 2020 Trust Statements**

1.1 the draft Trust Statements for the year ending on December 31, 2020 for The Corporation of The Town of Niagara-on-the-Lake (Town), attached as Appendix I, be forwarded to Council for approval.

The following is attached:

Appendix I - July 20, 2021 Minutes

Appendix II - ADC-21-008



## AUDIT & FINANCE COMMITTEE MEETING MINUTES

Tuesday July 20, 2021

09:30 AM

### **PRESENT:**

Chair: Councillor Allan Bisback; Vice-Chair: Councillor Norm Arsenault; Councillors Gary Burroughs, Sandra O'Connor

### **REGRETS:**

Councillor John Wiens

### **STAFF:**

Kyle Freeborn	Director of Corporate Services/Treasurer
Nick Alaimo	Deputy Treasurer
Sheldon Randall	Director of Operations
Craig Larmour	Director of Community and Development
Nick Ruller	Fire Chief
Amy Sager	Finance Coordinator

### **OTHERS:**

Betty Disero                      Lord Mayor

### **1. Call to Order**

Chair Councillor Allan Bisback called the meeting the order at 9:31 am.

### **2. Adoption of Agenda**

Moved by Councillor Norm Arsenault that the agenda be adopted as presented.

**APPROVED.**

### **3. Conflict of Interest**

No conflicts of interest were declared at this time.

### **4. Previous Minutes**

The Committee Reviewed the minutes of June 15, 2021.

### **5. Presentations**

There were no presentations at this time.

### **6. Announcements**

There were no announcements at this time.

## **7. Correspondence**

Moved by Councillor Sandra O'Connor to receive the rainbow crosswalk correspondence and discuss during the 2022 budget deliberations.

**APPROVED.**

## **8. Business**

### **8.1 ADC-21-007 Operating and Capital Budget Variances to June Month End**

Moved by Councillor Sandra O'Connor to approve report ADC-21-007.

**APPROVED.**

### **8.2 ADC-21-008 2020 Trust Statements**

Moved by Councillor Gary Burroughs to receive and recommend report ADC-21-008.

**APPROVED.**

### **8.3 ADC-21-009 Reserve Policy Update**

Councillor Gary Burroughs requested that recommendation 1.3 be voted on separately.

Councillor Sandra O'Connor recommend that recommendation 1.1 be amended to clarify that the sale of vehicles refers to only fire vehicles.

Moved by Councillor Sandra O'Connor that recommendations contained in ADC-21-009 be amended and approved as follows:

- 1.1 the Audit & Finance Committee approve the use of the Fire Vehicle and Equipment Reserve, to be funded from the proceeds from the sale of surplus *fire* vehicles and equipment to fund future capital purchases; and
- 1.2 the OMB Reserve be renamed to the Planning Appeals Reserve; and
- 1.3 the Building Permit Surplus Reserve be renamed to the Building Funds Reserve.

**APPROVED AS AMENDED.**

### **8.4 Parking - Honk Mobile and Update on Revenues**

The Committee discussed the new Honk Mobile App for parking and parking revenues.

### **8.5 Update on Deposits - Discussion**

The Committee discussed various deposits being held by the Town.

## **8.6 Budget Discussions**

The Committee discussed the process and timelines for the 2022 Budget.

## **8.7 Update on Small Business Optional Sub-Class**

This item was deferred to a later meeting.

## **8.8 Water Loss Action Plan**

This item was deferred to a later meeting.

## **9. New Business**

There was no new business at this time.

## **10. Next Meeting Date**

The next meeting is to be determined.

## **11. Adjournment**

**ADJOURNMENT: 10:59 AM**



# The Town of Niagara-On-The-Lake

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Virgil, Ontario  
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**Report:** ADC-21-008 **Committee Date:** July 20, 2021

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**Report To:** Committees of Council  
**Subject:** 2020 Trust Statements

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## 1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 the draft Trust Statements for the year ending on December 31, 2020 for The Corporation of The Town of Niagara-on-the-Lake (Town), attached as Appendix I, be forwarded to Council for approval.

## 2. PURPOSE / PROPOSAL

The purpose of this report is to seek the Audit and Finance Committees approval for the draft consolidated trust statements for the year ending on December 31, 2020, for the Town.

## 3. BACKGROUND

The Municipal Act, 2001 states that a municipality shall prepare financial statements for each fiscal year. The consolidated financial statements for the Town are prepared by management in accordance with Canadian public sector accounting standards ("PSAS"), as recommended by the Public Sector Accounting Board ("PSAB"). The Finance & Audit Committee has previously approved the Town's 2020 Consolidated Financial Statements, but due to timing constraints, the Trust Statements were delayed a month for approval.

The Town's auditor, KPMG, has completed an audit and compilation of Town's financial statements. The auditor's responsibility is to express an opinion on the consolidated financial statements based on their audit field work. Following completion of the audit field work, KPMG stated that in their opinion, the accompanying financial statements present fairly in all material respects.

## 4. DISCUSSION / ANALYSIS

A draft copy of the trust statements for the year ending on December 31, 2020 is attached to this report (Appendix I). These figures have been reflected in the The Financial Information Return ("FIR"). The FIR is the main data collection tool used by the Ministry of Municipal Affairs and Housing to collect financial and statistical

information on municipalities. The FIR is a standard document comprised of a number of schedules which are updated each year to comply with current legislation and reporting requirements.

**5. STRATEGIC PLAN**

N/A

**6. OPTIONS**

N/A

**7. FINANCIAL IMPLICATIONS**

Attached are the trust statements report on the previous year's financial activity. There are no other financial implications associated with the approval of the trust statements.

**8. COMMUNICATIONS**

Once Council has approved the 2020 Trust Statements they will be included with the Town's Consolidated Financial Statements and posted on the website. Finance Staff will circulate a separate Management Representation Letter upon approval to finalize the trust statements and all audit activities related to 2020.

**9. CONCLUSION**

Staff are seeking approval on the attached 2020 Trust Statements.

**Respectfully submitted,**



**Nick Alaimo  
Manager of Finance  
/Deputy Treasurer**



**Kyle Freeborn, CPA, CMA  
Director, Corporate Services**

ATTACHMENTS



KPMG LLP  
80 King Street, Suite 620  
St. Catharines ON L2R 7G1  
Canada  
Tel 905-685-4811  
Fax 905-682-2008

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of The Town of Niagara-on-the-Lake

### **Opinion**

We have audited the financial statements of the trust funds of The Corporation of the Town of Niagara-on-the-Lake (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2020,
- the statement of operations and accumulated surplus for the year then ended,
- the statement of cash flows for the year then ended,
- and notes, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2020, and its results of operations 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' 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 responsibilities in accordance with these requirements.

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



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

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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.

### ***Auditors' 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 auditors' report that includes our opinion.

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditors 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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

St. Catharines, Canada

DATE

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# THE CORPORATION OF THE TOWN OF NIAGARA-ON-THE-LAKE

## Statement of Financial Position – Trust Funds

As at December 31, 2020, with comparative information for 2019

	Cemetery Care & Maintenance	Cemetery Preneeds Internments	2020 Total	2019 Total
<b>Financial Assets</b>				
Cash	\$1,047,308	\$ 130,333	\$1,177,641	\$ 1,140,336
<b>Liabilities</b>				
Due to Town of Niagara-on-the-Lake (note 2)	11,583	1,702	13,285	24,292
<b>Net financial assets and accumulated surplus</b>	<b>\$1,035,725</b>	<b>\$ 128,631</b>	<b>\$1,164,356</b>	<b>\$ 1,116,044</b>

See accompanying notes to financial statements.

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# THE CORPORATION OF THE TOWN OF NIAGARA-ON-THE-LAKE

## Statement of Operations and Accumulated Surplus – Trust Funds

Year ended December 31, 2020, with comparative information for 2019

	Cemetery Care & Maintenance	Cemetery Preneeds Internments	2020 Total	2019 Total
<b>Revenues:</b>				
Care & maintenance agreements	52,393	-	52,393	35,582
Interest earned	10,835	1,502	12,337	25,398
	63,228	1,502	64,730	60,980
<b>Expenditures:</b>				
Interest transferred	10,835	-	10,835	22,041
Cemetery preneeds	-	5,583	5,583	21,625
	10,835	5,583	16,418	43,666
Annual surplus (deficit)	52,393	(4,081)	48,312	17,314
Accumulated surplus, beginning of year	\$ 983,332	\$ 132,712	\$ 1,116,044	\$ 1,098,730
Accumulated surplus, end of year	\$ 1,035,725	\$ 128,631	\$ 1,164,356	\$ 1,116,044

See accompanying notes to financial statements.

# THE CORPORATION OF THE TOWN OF NIAGARA-ON-THE-LAKE

## Statement of Cash Flows – Trust Funds

Year ended December 31, 2020 with comparative information for 2019

	2020	2019
Operations:		
Annual surplus	\$ 48,312	\$ 17,314
Sources (Uses):		
Change in due to Town of Niagara-on-the-Lake	(11,007)	7,315
Increase in cash	37,305	24,629
Cash, beginning of year	1,140,336	1,115,707
Cash, end of year	\$ 1,177,641	\$ 1,140,336

See accompanying notes to financial statements.

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# THE CORPORATION OF THE TOWN OF NIAGARA-ON-THE-LAKE

## Notes to Trust Funds Financial Statements

Year ended December 31, 2020

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### 1. Significant accounting policies:

The financial statements of The Corporation of the Town of Niagara-on-the-Lake trust funds are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") established by the Public Sector Accounting Board ("PSAB") of CPA Canada.

#### (a) Basis of accounting:

- (i) Receipts and expenditures are reported on the accrual basis of accounting.
- (ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods and services and the creation of a legal obligation to pay.

### 2. Due to Town of Niagara-on-the-Lake:

The amounts owing to The Corporation of the Town of Niagara-on-the-Lake are non-interest bearing with no fixed terms of repayment.

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