Financial Statements

City of Thorold

December 31, 2024

Contents

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Independent auditor's report

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

Opinion

We have audited the consolidated financial statements of the City of Thorold ("the Municipality"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net financial assets and cash flow 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 City of Thorold as at December 31, 2024, 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.

Emphasis of matter – Prior period adjustment

We draw attention to Note 3 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2023 has been restated. Our opinion is not modified in respect of this matter.

As part of our audit of the financial statements for the year ended December 31, 2024, we also audited the adjustments that were applied to restate certain comparative information for the year ended December 31, 2023. In our opinion, such adjustments are appropriate and have been properly applied.

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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes 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.

Doane Grant Thornton LLP

Port Colborne, Canada
September 15, 2025

Chartered Professional Accountants
Licensed Public Accountants

City of Thorold
Consolidated Statement of Financial Position
As at December 31, 2024

	2024	2023 (As restated) (Note 3)
Financial assets		
Cash	**$ 56,979,260**	$ 69,037,592
Portfolio investments (Note 4)	**42,428,080**	38,278,489
Taxes receivable (Note 5)		
Current year	**5,398,607**	4,187,858
Prior years	**2,885,956**	2,235,736
User charges receivable	**3,419,972**	2,821,702
Other receivables	**6,444,923**	6,099,235
	117,556,798	122,660,612
Liabilities		
Accounts payable and accrued liabilities	**8,698,676**	10,029,223
Other liabilities and deposits	**12,635,852**	14,854,658
Deferred revenue - obligatory reserve funds (Note 6)	**44,424,744**	53,374,741
Deferred revenue - other (Note 7)	**4,360,103**	4,028,638
Employee benefit obligations (Notes 8 and 21)	**2,350,570**	2,340,670
Asset retirement obligations (Note 9)	**6,239,659**	6,063,552
Contaminated sites liability (Note 10)	**114,700**	114,700
Long term debt (Note 11)	**298,750**	439,446
	79,123,054	91,245,628
Net financial assets	**38,433,744**	31,414,984
Non-financial assets		
Tangible capital assets (Note 12 and Pages 35 and 36)	**234,954,393**	213,892,675
Prepaid expenses	**2,327,203**	2,131,113
	237,281,596	216,023,788
Accumulated surplus (Note 13)	**$ 275,715,340**	$ 247,438,772

Contingencies (Note 24) and Commitments (Note 25)

Approved by

Director of Finance

Chief Administrative Officer

See accompanying notes to the consolidated financial statements

City of Thorold
Consolidated Statement of Operations
For the Year Ended December 31, 2024

	Budget 2024 (Note 28)	**Actual 2024**	Actual 2023 (As restated) (Note 3)
Revenues other than revenues related to tangible capital assets			
Taxation (Note 16)	$ 25,843,411	**$ 26,468,588**	$ 24,081,632
User fees and charges (Note 18)	21,412,358	**23,014,887**	17,286,297
Government transfers (Note 19)	261,400	**324,594**	386,531
Other (Note 20)	3,858,020	**4,474,465**	4,583,666
	51,375,189	**54,282,534**	46,338,126
Expenses			
General government	2,403,942	**2,932,132**	2,551,803
Protection to persons and property	9,262,109	**9,851,214**	8,287,320
Transportation services	9,634,457	**12,940,270**	6,516,167
Environmental services	14,527,434	**15,022,036**	12,872,874
Health services	1,526,907	**1,515,940**	1,351,384
Social and family services	245,996	**274,857**	251,673
Recreation and culture services	8,590,840	**8,288,101**	6,911,824
Planning and development	1,973,336	**1,563,630**	1,713,752
	48,165,021	**52,388,180**	40,456,797
Annual surplus before revenues related to tangible capital assets	3,210,168	**1,894,354**	5,881,329
Revenues related to tangible capital assets			
User fees and charges (Note 18)	12,083,694	**11,684,465**	1,988,461
Government transfers (Note 19)	2,961,126	**1,073,379**	3,148,384
Other (Note 20)	846,367	**13,766,940**	24,749,690
Loss on disposal of tangible capital assets	-	**(142,570)**	(149,553)
	15,891,187	**26,382,214**	29,736,982
Annual surplus	19,101,355	**28,276,568**	35,618,311
Accumulated surplus (Note 13)			
Beginning of year			
As previously stated	249,199,573	**249,199,573**	211,820,461
Prior period adjustment (Note 3)	(1,760,801)	**(1,760,801)**	-
	247,438,772	**247,438,772**	211,820,461
End of year	$ 266,540,127	**$ 275,715,340**	$ 247,438,772

See accompanying notes to the consolidated financial statements.

City of Thorold
Consolidated Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2024

	Budget 2024 (Note 28)	**Actual 2024**	Actual 2023 (As restated) (Note 3)
Annual surplus	$ 19,101,355	**$ 28,276,568**	$ 35,618,311
Amortization of tangible capital assets	8,133,207	**8,136,138**	7,090,366
Acquisition of tangible capital assets	(47,664,219)	**(16,712,635)**	(21,954,920)
Contributed tangible capital assets	-	**(12,953,481)**	(24,397,367)
Write-down of tangible capital assets	-	**325,690**	-
Loss on disposal of tangible capital assets	-	**142,570**	149,553
	(20,429,657)	**7,214,850**	(3,494,057)
Usage of inventory and prepaid expenses	-	**(196,090)**	(897,062)
Increase (decrease) in net financial assets	(20,429,657)	**7,018,760**	(4,391,119)
Net financial assets			
Beginning of year	31,414,984	**31,414,984**	35,806,103
End of year	$ 10,985,327	**$ 38,433,744**	$ 31,414,984

See accompanying notes to the consolidated financial statements.

City of Thorold
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2024

	2024	2023 (As restated) (Note 3)
Increase (decrease) in cash		
Operating activities		
Annual surplus	**$ 28,276,568**	$ 35,618,311
Non-cash items:		
Amortization of tangible capital assets	**8,136,138**	7,090,366
Write-down of tangible capital assets	**325,690**	-
Contributed tangible capital assets	**(12,953,481)**	(24,397,367)
Loss on disposal of tangible capital assets	**142,570**	149,553
Changes in:		
Taxes receivable	**(1,860,969)**	(1,191,217)
User charges receivable	**(598,270)**	(466,369)
Other receivables	**(345,688)**	1,331,469
Accounts payable and accrued liabilities	**(1,330,547)**	1,733,767
Other liabilities and deposits	**(2,218,806)**	629,493
Deferred revenue - obligatory reserve funds	**(8,949,997)**	8,714,510
Deferred revenue - other	**331,465**	(509,424)
Employee benefit obligations	**9,900**	249,539
Landfill liability	**176,107**	30,467
Inventory and prepaid expenses	**(196,090)**	(897,062)
	8,944,590	28,086,036
Capital activities		
Acquisition of tangible capital assets	**(16,712,635)**	(21,954,920)
Financing activities		
Repayment of long term debt	**(140,696)**	(135,225)
Investing activities		
Increase in portfolio investments	**(4,149,591)**	(8,005,023)
Net decrease in cash	**(12,058,332)**	(2,009,132)
Cash		
Beginning of year	**69,037,592**	71,046,724
End of year	**$ 56,979,260**	$ 69,037,592

See accompanying notes to the consolidated financial statements.

1. Significant accounting policies

Management responsibility

The consolidated financial statements of the City of Thorold (the "Municipality") are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The significant accounting policies used are as follows:

(a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, non-financial assets, revenues, expenses and changes in accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality. In addition to general government tax-supported operations, they include the following:

Thorold Public Library Board
Thorold Business Improvement Area

Interdepartmental and organizational transactions and balances are eliminated.

The following entity is proportionally consolidated:

Canada Games Park

Related party transactions are eliminated (Note 22)

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statements of Financial Position and Operations (Note 23).

(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) Deferred revenue

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

1. Significant accounting policies (continued**)**

(d) Employee future benefits

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

(e) Contaminated sites liability

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

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

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

(f) Tangible capital assets

Tangible capital assets are recorded at cost. Cost includes all directly attributable expenses in the acquisition, construction, development and/or betterment of the asset required to install the asset at the location and in the condition necessary for its intended use. Contributed tangible capital assets are capitalized at their estimated fair value upon acquisition. The Municipality does not capitalize interest as part of the costs of its capital assets.

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.

1. Significant accounting policies (continued)

(f) Tangible capital assets (continued)

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

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

Amortization is based on the following classifications and useful lives:

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

For non-pooled assets, amortization is charged in the year of acquisition beginning in the month subsequent to asset purchase. For pooled assets, amortization is not charged in the year of acquisition and begins in the year subsequent to asset purchase. Assets under construction are not amortized until the asset is available for productive use.

(g) Subdivision infrastructure

Subdivision streets, lighting, sidewalks, drainage and other infrastructure are required to be provided by subdivision developers. Upon completion they are turned over to the Municipality and recorded as contributed tangible capital assets at their fair market value at the date of acquisition. The Municipality is not involved in the construction.

(h) Inventory

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

(i) 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.

1. Significant accounting policies (continued)

(j) Revenue recognition

i) Taxation

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

A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment.

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

ii) User charges

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

iii) Government transfers

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

iv) Other

Other revenue is recorded when it is earned, any performance obligations have been satisfied and collection is reasonably assured.

v) Investment income

Investment income earned on operating surplus funds and reserves and reserve funds (other than obligatory reserve funds) are recorded as revenue in the period earned. Investment income earned on obligatory reserve funds are recorded directly to each respective fund balance and forms part of the deferred revenue – obligatory reserve funds balance.

(k) Region of Niagara and school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the Region of Niagara are not reflected in the accumulated surplus of these consolidated financial statements.

1. Significant accounting policies (continued)

(l) Asset retirement obligations

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is measured at the Municipality's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital asset (or component thereof) is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for (1) changes as a result of the passage of time with corresponding accretion expense and (2) adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized on a straight-line basis over the estimated useful life of the related asset.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured; reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

(m) Financial instruments

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the Statement of Remeasurement Gains and Losses. Once realized, remeasurement gains and losses are transferred to the Statement of Operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the Statement of Operations.

1. Significant accounting policies (continued)

(m) Financial instruments (continued)

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the Statement of Financial Position when, and only when, they are discharged or cancelled or expire.

Financial assets measured at amortized cost include cash and cash equivalents, portfolio investments and other receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue - other and long term debt.

(n) Use of estimates

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

2. Adoption of new guidance

Effective January 1, 2024, the Municipality adopted the revised Public Sector Accounting Standards Section PS 3400 Revenue. Revised Section PS 3400 requires accounting for revenue transactions by distinguishing between transactions with and without performance obligations.

Revenue is recognized for transactions with performance obligations when the public sector entity has satisfied a performance obligation by providing goods or services to a payor in an exchange transaction.

Revenue is recognized for transactions without performance obligations when the public sector entity has the authority to collect and retains the benefit from the revenue source, with no specific obligation to provide goods or services directly in exchange.

2. Adoption of new guidance (continued)

The revenue recognition criteria is dependent on whether the transaction is an exchange or non-exchange transaction, with consideration given to enforceability and the nature of the obligations imposed.

The new guidance has been applied prospectively. Adoption of this standard did not result in any adjustments to the Municipality's financial statements. There were no changes to the comparative period.

3. Prior period adjustment

During the year, management identified that certain expenses related to a capital project that was not completed by the 2023 year end were recorded as construction in process tangible capital assets additions in 2023, but were actually partly owned by another municipality due to a cost sharing agreement the City had with that municipality.

As a result of the error, the comparative financial statements have been retroactively restated with the following financial statement items increased (decreased) as follows:

	Previously reported	Adjustments	As restated
Consolidated Statement of Financial Position As at December 31, 2023			
Non-financial assets			
Tangible capital assets (Note 12)	$ 215,653,476	$ (1,760,801)	$ 213,892,675
Accumulated surplus (Note 13)	249,199,573	(1,760,801)	247,438,772
Consolidated Statement of Operations For the Year Ended December 31, 2023			
Revenues related to tangible capital assets			
Government transfers (Note 19)	4,909,185	(1,760,801)	3,148,384
Annual surplus	37,379,112	(1,760,801)	35,618,311
Accumulated surplus (Note 13)			
End of year	249,199,573	(1,760,801)	247,438,772
Consolidated Statement of Changes in Net Financial Assets For the Year Ended December 31, 2023			
Annual surplus	37,379,112	(1,760,801)	35,618,311
Acquisition of tangible capital assets	(23,715,721)	1,760,801	(21,954,920)
Consolidated Statement of Cash Flows As at December 31, 2023			
Operating activities			
Annual surplus	37,379,112	(1,760,801)	35,618,311
Capital activities			
Aquisition of tangible capital assets	(23,715,721)	1,760,801	(21,954,920)

4. Portfolio investments

	Book Value 2024	Market Value 2024	Book Value 2023	Market Value 2023
GICs	**$ 14,844,695**	**$ 14,849,208**	$ 18,947,708	$ 18,944,422
Step-ups	**3,000,000**	**2,909,577**	3,250,000	3,027,295
PPNs	**14,107,000**	**13,902,065**	12,363,535	13,079,404
Bonds	**10,226,385**	**11,367,630**	3,467,246	3,415,184
Equity Fund	**250,000**	**331,643**	250,000	275,074
	$ 42,428,080	**$ 43,360,123**	$ 38,278,489	$ 38,741,379

Guaranteed investment certificates ("GICs"), step-up deposit notes ("Step-ups"), principal protected notes ("PPNs"), and federal, provincial and municipal bonds ("Bonds") carry an effective interest rates from 1.52% to 7.87% and maturity dates ranging from May, 2025 to September, 2034. Interest is receivable on a semi-annual or annual basis.

Investments held in the One Investment Program (“Equity Fund”) are managed by Local Authority Services, an affiliate of the Association of Municipalities of Ontario and are fully liquid. The Municipality does not hold any equity investments that are traded in an active market, therefore all of the Municipality's investments are recorded at cost.

5. Taxes receivable

Property tax billings are prepared by the Municipality based on an assessment roll prepared by the Municipal Property Assessment Corporation (“MPAC”). The property tax receivables and tax revenue of the Municipality are subject to measurement uncertainty as a number of appeals submitted by taxpayers have yet to be heard. The Municipality has established an allowance for doubtful accounts in the amount of $ 1,752,590 (2023 - $ 1,449,764) and have penalties and interest receivable of $ 2,255,874 (2023 - $ 1,953,211).

6. Deferred revenue - obligatory reserve funds

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

	2024	2023
Parkland	$ **315,342**	$ 703,811
Building code	**3,492,928**	5,357,266
Ontario Sport & Recreation Community grant	**9,579**	9,579
Ontario Community Infrastructure grant	**1,451,240**	686,697
Tree planting	**97,869**	71,644
Canada Community Benefit Fund	**355,308**	119,110
Development charges	**38,552,044**	46,267,284
Modernization grant	**150,434**	159,350
	$ **44,424,744**	$ 53,374,741

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

	2024	2023
Balance, beginning of year	$ **53,374,741**	$ 44,660,231
Contributions from		
Development Charges Act	**5,214,664**	9,547,781
Interest earned	**2,505,851**	2,502,562
Canada Community Benefit Fund grant received	**758,067**	622,202
Infrastructure grants received	**1,235,406**	1,074,266
Other revenue	**169,036**	168,717
	9,883,024	13,915,528
Utilized for		
Operations	**(4,593,732)**	(158,850)
Tangible capital asset acquisitions	**(14,239,289)**	(5,042,168)
	(18,833,021)	(5,201,018)
Balance, end of year	$ **44,424,744**	$ 53,374,741

7. Deferred revenue - other

	2024	2023
Prepayment of taxes	$ 3,115,979	$ 2,740,611
Other	1,244,124	1,288,027
	$ 4,360,103	$ 4,028,638

8. Employee benefit obligations

	2024	2023
Accrued vacation pay	$ 453,870	$ 507,270
Accumulated sick leave	719,500	676,000
Post-employment benefits	1,177,200	1,157,400
	1,896,700	1,833,400
	$ 2,350,570	$ 2,340,670

(a) Accrued vacation pay

As at December 31, 2024, employees of the Municipality have accumulated vacation pay credits in the amount of $ 453,870 (2023 - $ 507,270). Any unused credits may be carried forward to the next year.

(b) Accumulated sick leave and post-employment benefits

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

The accrued benefit liability for accumulated sick leave and post-employment benefits as at December 31, 2024 of $ 1,896,700 (2023 - $ 1,833,400) was determined by actuarial valuation using a discount rate of 4.6% (2023 – 4.6%). A reserve has been established for the accumulated sick leave liability. The balance as at December 31, 2024 is $ 1,395,631 (2023 - $ 1,281,441).

	2024	2023
Accrued benefit obligation		
Beginning of year	$ 1,833,400	$ 1,660,026
Current period benefit cost	111,100	135,800
Interest cost	83,500	55,000
Benefit payments	(127,400)	(206,326)
Past service costs due to plan amendment	-	163,900
Amortization of actuarial (gain) loss	(3,900)	25,000
	$ 1,896,700	$ 1,833,400

8. Employee benefit obligations (continued)

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

	2024	2023
Funded status		
Deficit	$ 1,835,300	$ 1,768,100
Unamortized actuarial gain	61,400	65,300
	$ 1,896,700	$ 1,833,400
The net benefit expense is as follows:		
Current period benefit cost	$ 111,100	$ 135,800
Interest cost	83,500	55,000
Amortization of past service costs	-	163,900
Amortization of actuarial loss	(3,900)	25,000
	$ 190,700	$ 379,700

During the year $ 116,718 (2023 - $ 206,326) was paid to employees who left the Municipality's employment.

The most recent actuarial valuation was prepared as at December 31, 2023. The main actuarial assumptions employed for the valuation are as follows:

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

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

Dental costs – dental costs were assumed to be 4% (2023 - 4%) per annum.

Medical costs – medical costs were assumed to be 7.5% (2023 - 8%) per annum for 2024 grading down 0.5% per annum to a rate of 4% per annum.

9. Asset retirement obligations

The asset retirement obligaiton includes one closed landfill site the Municipality owns and monitors. The liability for post-closure care of the landfill has been recognized based upon monitoring costs included in the 2024 budget and inflation adjusted at 2.20% (2023 - 2.20%) per annum. These costs were then discounted to December 31, 2024 using a discount rate of 4.02% (2023 - 4.02%). Post-closure care is estimated to be required for an indefinite period and will be funded by future tax levies.

The liability for post-closure care as at December 31, 2024 is $ 6,239,659 (2023 - $ 6,063,552). Additional expenses for post-closure care recorded in 2024 were in the amount of $ 317,471 (2023 - $ 154,407) and actual expenses paid during the year were $ 141,363 (2023 - $ 123,940).

10. Contaminated sites liability

The Municipality reports environmental liabilities related to the management and remediation of contaminated sites where the Municipality is obligated or likely obligated to incur such costs. The Municipality has identified one property where environmental assessments have indicated soil contamination that exceeds current environmental standards.

A contaminated sites liability of $ 114,700 (2023 - $ 114,700) has been recorded based on estimated future remediation costs in 2104 of between $ 900,000 and $ 1,200,000 using a present value technique at a discount rate of 4.25%.

The Municipality's ongoing efforts to assess contaminated sites may result in future environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the Municipality's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

11. Long term debt

	2024	2023
(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	**$ 298,750**	$ 439,446

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

Debenture Number	Purpose	Interest Rate	Maturity Date	2024	2023
60-2006	City Hall	5.354%	2026	**$ 92,224**	$ 134,809
129-2011	City Hall	3.43%	2026	**206,526**	304,637
				$ 298,750	$ 439,446

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

2025	$ 146,401
2026	152,349

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

11. Long term debt (continued)

(e) Total charges for the year for long term debt are as follows:

	2024	2023
Principal	**$ 140,696**	$ 135,225
Interest	**15,043**	20,574
	$ 155,739	$ 155,799

12. Tangible capital assets

	2024	2023 (As restated) (Note 3)
Net book value		
Land	**$ 4,011,942**	$ 3,728,892
Land improvements	**16,365,891**	11,082,997
Buildings	**48,584,572**	30,477,292
Machinery and equipment	**5,949,519**	5,062,510
Vehicles	**5,375,890**	3,228,830
	80,287,814	53,580,521
Infrastructure		
Transportation	**52,873,221**	45,645,350
Storm sewers	**25,509,494**	19,827,838
Sanitary sewers	**40,392,628**	37,565,175
Water	**32,739,248**	28,992,132
	151,514,591	132,030,495
Construction in process	**3,151,988**	28,281,659
	$ 234,954,393	$ 213,892,675

See pages 35 and 36 for more detail.

13. Accumulated surplus

	2024	2023 (As restated) (Note 3)
Operating deficit	**$ (12,375,736)**	$ (18,219,236)
Investment in tangible capital assets (Note 12)	**234,954,393**	213,892,675
Reserves and reserve funds (Note 14)	**62,140,362**	60,723,701
Unfunded liabilities (Note 15)	**(9,003,679)**	(8,958,368)
	$ 275,715,340	$ 247,438,772

The 2024 operating annual surplus was $ 909,156, which was transferred in equal parts to the Municipal Land and Building reserve, the Muncipal Development reserve, the Capital Asset reserve, and the Capital Asset Transportation reserve, as authorized by Council. Had this transfer not been made, the 2024 operating deficit of the Municipality would have been $ 11,466,580.

The 2023 operating annual surplus was $ 1,714,069, which was transferred in equal parts to the Municipal Land and Building reserve, the Capital Asset reserve, and the Capital Asset Transportation reserve, as authorized by Council. Had this transfer not been made, the 2023 operating deficit of the Municipality would have been $ 16,505,167

14. Reserves and reserve funds

	2024	2023
Reserves set aside by Council for specific purposes:		
Municipal development	**$ 1,577,691**	$ 1,535,452
Working funds (uncollectible taxes)	**510,000**	510,000
Equipment replacement	**2,451,248**	3,249,419
Accumulated sick leave	**1,395,631**	1,281,441
Computer	**510,714**	431,342
Contingencies	**472,438**	1,153,985
Election	**67,357**	22,357
Sewage capital	**9,468,019**	7,706,708
Water capital	**10,323,624**	9,322,941
Insurance deductible	**623,972**	591,341
Winter control	**287,896**	237,896
Encumbrances	**1,197,843**	1,249,219
Total reserves	**28,886,433**	27,292,101

14. Reserves and reserve funds (continued)

	2024	2023
Reserve funds set aside by Council for specific purposes:		
Capital asset	**$ 3,907,954**	$ 3,578,229
Capital asset transportation	**7,442,444**	7,161,316
Hospital expansion	**153,817**	125,000
Port Robinson beautification	**12,079**	8,430
Arena building	**386,834**	335,002
Library expansion	**31,082**	29,702
Hydro proceeds	**17,424,749**	17,381,714
Mausoleum and cemetery improvements	**510,186**	798,441
Municipal land and building	**2,249,969**	2,933,206
Niagara Falls bridge	**946,415**	901,269
Parking	**25,630**	24,380
Port Robinson transportation	**145,898**	138,938
Thorold pre-recreation (Mel Swart Park)	**13,953**	13,192
Thorold South Community Centre building	**2,863**	2,727
Darlene Ryan Port Robinson Community Centre	**56**	54
Total reserve funds	**33,253,929**	33,431,600
Total reserves and reserve funds	**$ 62,140,362**	$ 60,723,701

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

	2024	2023
Balance, beginning of year	**$ 60,723,701**	$ 55,198,577
Contributions from		
Investment income	**1,423,893**	1,427,058
User charges	**14,034**	16,217
Other revenue	**39,312**	61,337
	1,477,239	1,504,612
Provided from (utilized for)		
Operations	**9,086,580**	8,967,700
Tangible capital asset acquisitions	**(9,147,158)**	(4,947,188)
	(60,578)	4,020,512
Balance, end of year	**$ 62,140,362**	$ 60,723,701

15. Unfunded liabilities

	2024	2023
Employee benefit obligations (Note 8)	**$ 2,350,570**	$ 2,340,670
Asset retirement obligations (Note 9)	**6,239,659**	6,063,552
Contaminated sites liability (Note 10)	**114,700**	114,700
Long term debt (Note 11)	**298,750**	439,446
	$ 9,003,679	$ 8,958,368

16. Taxation

	Budget 2024	**Actual 2024**	Actual 2023
Real property		**$ 61,801,220**	$ 55,398,223
From other governments			
Payments in lieu of taxes		**1,157,906**	1,277,629
		62,959,126	56,675,852
Less: taxation collected on behalf of (Note 17):			
Region of Niagara		**29,164,434**	25,730,761
School boards		**7,326,104**	6,863,459
		36,490,538	32,594,220
Net taxes available for municipal purposes		**$ 26,468,588**	$ 24,081,632
Residential, multi-residential and farm	$ 21,133,546	**$ 20,589,492**	$ 19,310,527
Commercial and industrial	4,709,865	**5,879,096**	4,771,105
Net taxes available for municipal purposes	$ 25,843,411	**$ 26,468,588**	$ 24,081,632

17. Collections for the Region of Niagara and school boards

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

	2024	2023
Region of Niagara	**$ 29,164,434**	$ 25,730,761
School boards	**7,326,104**	6,863,459
	$ 36,490,538	$ 32,594,220

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).

18. User charges

	Budget 2024	**Actual 2024**	Actual 2023
Operating			
Fees and service charges	$ 3,269,747	**$ 2,808,965**	$ 1,813,394
Water charges	5,721,789	**6,150,532**	5,812,337
Sewer charges	8,185,750	**8,502,929**	7,823,978
Licences and permits	1,857,065	**958,729**	1,677,738
Development charges	2,378,007	**4,593,732**	158,850
	21,412,358	**23,014,887**	17,286,297
Capital			
Fees and service charges	4,380,968	**1,224,593**	47,784
Development charges	7,702,726	**10,459,872**	1,940,677
	12,083,694	**11,684,465**	1,988,461
	$ 33,496,052	**$ 34,699,352**	$ 19,274,758

19. Government transfers

	Budget 2024	**Actual 2024**	Actual 2023 (As restated) (Note 3)
Operating			
Government of Canada	$ 10,000	**$ 11,720**	$ 129,771
Province of Ontario	156,000	**239,218**	160,300
Municipal	95,400	**73,656**	96,460
	261,400	**324,594**	386,531
Capital			
Government of Canada	863,786	**542,186**	1,551,030
Province of Ontario	2,097,340	**531,193**	1,578,753
Municipal	-	**-**	18,601
	2,961,126	**1,073,379**	3,148,384
	$ 3,222,526	**$ 1,397,973**	$ 3,534,915

19. Government transfers (continued)

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

	2024	2023 (As restated) (Note 3)
Revenues		
Government of Canada		
Canada Community Benefit Fund	**533,270**	1,533,214
Municipal asset management program	**-**	40,480
Recreation and cultural	**11,720**	10,000
Canada summer jobs grant	**-**	48,763
Miscellaneous	**8,916**	48,344
	553,906	1,680,801
Province of Ontario		
Ontario Municipal Partnership Fund	**35,800**	42,100
Ontario Community Infrastructure Fund	**531,193**	1,421,588
Hydro One	**17,535**	19,262
Modernization	**-**	94,454
Recreation and cultural	**32,428**	82,427
Miscellaneous	**153,455**	79,222
	770,411	1,739,053
Municipal		
Provincial Offences Act	**7,156**	17,160
Capital grants	**-**	18,601
Port Robinson transportation service	**66,500**	66,500
Miscellaneous	**-**	12,800
	73,656	115,061
	$ 1,397,973	$ 3,534,915
Expenses		
Region of Niagara (in trust)		
- Canada Games Park Capital Lifecycle	**$ 414,000**	$ 414,000
Charitable and non-profit organizations	**139,433**	140,118
	$ 553,433	$ 554,118

20. Other revenues

	Budget 2024	**Actual 2024**	Actual 2023
Operating			
Penalties and interest on taxes	$ 692,000	**$ 1,130,298**	$ 834,380
Fines	387,500	**635,217**	524,559
Investment income	828,000	**1,005,810**	1,571,259
Investment income – reserves and reserve funds	1,783,659	**1,423,893**	1,427,058
Rental income	95,797	**84,021**	89,913
Donations	16,000	**60,839**	41,785
Other	25,064	**75,059**	50,000
Transfer from trust funds	30,000	**59,328**	44,712
	3,858,020	**4,474,465**	4,583,666
Capital			
Contributed tangible capital assets	-	**12,953,481**	24,397,367
Donations	265,891	**340,117**	266,235
Other	580,476	**473,342**	86,088
	846,367	**13,766,940**	24,749,690
	$ 4,704,387	**$ 18,241,405**	$ 29,333,356

21. 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 $ 4.3 billion (2023 - $ 7.6 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 2024 calendar year at rates ranging from 9.0% to 15.8% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the Consolidated Statement of Operations. Employer contributions to OMERS for 2024 current and past service was $ 1,278,491 (2023 - $ 1,131,761) and were matched by employee contributions in a similar amount.

22. Canada Games Park

Canada Games Park (the "Park") is a newly constructed, multi-purpose sports facility located in Thorold, Ontario, consisting of a new Sport and Ability Centre with two arenas, a quadruple gym, indoor track, fitness facilities and office space, and an outdoor sport complex with beach volleyball courts and a new athletics facility. Construction of the Park was initiated by the Canada Summer Games Host Society and taken over by the Regional Municipality of Niagara in 2021. The Park, which commenced operations on January 1, 2022, is constructed on land owned by and leased from Brock University for $1 per year, and was substantially complete on February 7, 2022. On this date, the asset was transferred to the Canada Games Park Consortium. The ownership of the Park is shared equally by Brock University, the City of St. Catharines, the City of Thorold and the Regional Municipality of Niagara, under a Consortium and Co-Tenancy Agreement. The Region of Niagara does not participate in the revenues or operating expenses of the Park, with the exception of property insurance. Revenues and operating costs are shared by the participating consortium members, Brock University, the City of St. Catharines and the City of Thorold in equal one-third (1/3) shares. The City of Thorold has a non-controlling interest in the Park of 25%.

The following table provides condensed supplementary financial information for the Park:

	2024	2023
Financial assets		
Cash	**$ 149,241**	$ 159,872
Accounts receivable	**392,832**	538,830
	542,073	698,702
Liabilities		
Accounts payable and accrued liabilities	**310,381**	526,109
Deferred revenue	**137,027**	129,156
	447,408	655,265
Net financial assets	**94,665**	43,437
Non-financial assets		
Tangible capital assets	**92,113,164**	97,594,399
Inventories	**6,956**	2,207
Prepaid expenses	**49,465**	15,442
	92,169,585	97,612,048
Accumulated surplus	**$ 92,264,250**	$ 97,655,485
Accumulated surplus consists of:		
Operating surplus	**$ 151,086**	$ 61,086
Investment in tangible capital assets	**92,113,164**	97,594,399
	$ 92,264,250	$ 97,655,485

22. Canada Games Park (continued)

	2024	2023
Revenues		
Rental	**$ 2,037,895**	$ 1,792,135
Contributions	**985,850**	908,839
Concessions, catering, advertising and other	**268,386**	194,385
	3,292,131	2,895,359
Expenses	**(8,683,366)**	(6,967,720)
Annual deficit	**$ (5,391,235)**	$ (4,072,361)

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

The Municipality has recorded in the financial statements its 25% share of the Park's assets, liabilities, accumulated surplus, revenues, expenses, and annual deficit.

The following summarizes the Municipality's related party transactions with the Park for the year. All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

	2024	2023
Statement of Financial Position		
Accounts receivable	**$ 33,606**	$ 108,991
Deferred revenue	**4,712**	13,772
Statement of Operations		
Rentals	**$ 130,803**	$ 175,372
Contributions	**317,108**	293,185

Capital reserve held by the Regional Municipality of Niagara

As part of the Consortium and Co-tenancy Agreement between the Corporation of the City of St. Catharines, the Corporation of the City of Thorold, the Regional Municipality of Niagara and Brock University, each party will deposit on each anniversary date of project completion, its proportionate share (25%) of an amount equal to 1.5% of the initial hard costs of constructing the Park, to be indexed annually based on the RSMean Construction Index, to be held in a trust account in the name of the parties. The reserve fund is held in trust by the Regional Municipality of Niagara and is allocated interest at the average annual portfolio rate of the Region's investment portfolio based on the reserve funds monthly balance. The Region will distribute funds to the Park's operator to execute capital works in alignment with approved budgets and minutes from the Consortium Partners. Each of the four Consortium partners, the Municipality being one of the partners, have contributed $ 1,214,695 to the $ 4,858,780 capital reserve.

23. Trust funds

Trust funds administered by the Municipality amounting to $ 1,513,955 (2023 - $ 1,496,608) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

24. Contingencies

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

25. Commitments

Capital expenses

The estimated future capital expense commitments based on projects in progress at December 31, 2024 is approximately $ 33,300,791 (2023 - $ 30,042,460). These projects will be financed by grants, subsidies and long term liabilities in future years.

Leases

The Municipality has commitments for operating leases for office equipment and certain premises with various expiry dates up to 2029. The approximate total commitment for each of the next five years is as follows:

2025	$ 13,724
2026	4,615
2027	4,349
2028	4,260
2029	3,550

25. Commitments (continued)

Tax increment based grants

The Municipality has commitments for tax increment based grants with various expiry dates up to 2030. There are currently five signed agreements with a term spanning ten years each. At December 31, 2024, the total amount remaining to be paid from these agreements is $ 1,026,891 with the total commitment for each of the next five years as follows:

2025	$ 210,983
2026	200,887
2027	200,887
2028	200,887
2029	200,887

Hospital

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

Thorold Community Activities Group

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

26. Measurement uncertainty

Property tax billings are prepared by the Municipality based on an assessment roll prepared by the Municipal Property Assessment Corporation (“MPAC”), an agency of the Ontario government. All assessed property values in the Municipality were reviewed and new values established based on a common valuation date that was used by the Municipality in computing the property tax bills. However, the property tax revenue and tax receivables of the Municipality are subject to measurement uncertainty as a number of appeals submitted by taxpayers have yet to be heard. Any adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with the Region of Niagara and school boards, as appropriate.

27. Comparative figures

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

28. Budget

The budget bylaw adopted by Council on January 30, 2024 was not prepared on a basis consistent with that used to report actual results in accordance with Canadian public sector accounting standards. The budget was prepared on a modified accrual basis while Canadian public sector accounting standards require a full accrual basis. As a result, the budget figures presented in the Consolidated Statement of Operations and Consolidated Statement of Changes in Net Financial Assets represent the budget adopted by Council with the following adjustments:

Budgeted annual deficit	$ (31,123)
Add:	
Principal repayments of long term debt	106,750
Reserves and reserve funds interest revenue	1,285,659
Reserves and reserve funds other revenue	25,064
Acquisition of tangible capital assets	47,664,219
Less:	
Transfers from reserves and reserve funds, net	(19,430,007)
Amortization of tangible capital assets	(8,133,207)
Debenture proceeds	(2,386,000)
Budgeted surplus per Consolidated Statement of Operations	$ 19,101,355

29. Financial instruments

The Municipality is exposed to various risks through its financial instruments. The following analysis provides a measure of the Municipality's risk exposures as at December 31, 2024:

Credit risk

Credit risk is the risk of financial loss to the Municipality if a debtor fails to pay the amounts owing to the Municipality. The Municipality is exposed to this risk arising from its cash and cash equivalents, portfolio investments, taxes receivable, user charges receivable and other receivables. The Municipality holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Municipality's cash accounts are insured up to $ 147,534 (2023 - $ 165,683).

Receivables are primarily due from government, corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Municipality measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up for specific accounts deemed to be possibly uncollectible. In the current and prior years, an impairment allowance was recorded relating to the other receivables. There were no changes in exposures to credit risk during the period.

Liquidity risk

Liquidity risk is the risk that the Municipality will not be able to meet all cash outflow obligations as they come due. The Municipality mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining cash and cash equivalents if unexpected cash outflows arise. The following undiscounted cash-flows are required to settle the Municipality's financial liabilities:

	2024				
	Within 1 year	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
Accounts payables and accrued liabilities	**$ 8,698,676**	**$ -**	**$ -**	**$ -**	**$ 8,698,676**
Other liabilities and deposits	**12,635,852**	**-**	**-**	**-**	**12,635,852**
Deferred revenue - other	**4,360,103**	**-**	**-**	**-**	**4,360,103**
Long term debt	**146,401**	**152,349**	**-**	**-**	**298,750**
Total	**$ 25,841,032**	**$ 152,349**	**$ -**	**$ -**	**$ 25,993,381**

	2023				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payables and accrued liabilities	$ 10,029,223	$ -	$ -	$ -	$ 10,029,223
Other liabilities and deposits	14,854,658	-	-	-	14,854,658
Deferred revenue - other	4,058,638	-	-	-	4,058,638
Long term debt	140,696	298,750	-	-	439,446
Total	$ 29,083,215	$ 298,750	$ -	$ -	$ 29,381,965

29. Financial instruments (continued)

Liquidity risk (continued)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Municipality is mainly exposed to interest and currency risks.

a) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Municipality is exposed to interest rate risk on its portfolio investments and long term debt. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

30. Segmented information

The Municipality provides a wide range of services to its citizens. Municipal services are provided by departments and their activities are reported in the Consolidated Statement of Operations. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

General government is comprised of Municipal council, administrative and clerks departments.

Protection to persons and property

Protection to persons and property is comprised of the fire, building, by-law enforcement and animal control departments.

Transportation services

The transportation services department is responsible for the delivery of public works services related to maintenance of roadway systems, maintenance of parks and open spaces, winter control, street lighting, air transportation and maintenance of municipal buildings.

Environmental services

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

Health services

Health services department is responsible for cemetery operations.

30. Segmented information (continued)

Social and family services

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

Recreation and culture services

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

Planning and development

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

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

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

City of Thorold
Consolidated Schedule of Tangible Capital Assets
For the Year Ended December 31, 2024

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Process	**2024**
Cost								
Beginning of year	$ 3,728,892	$ 20,708,803	$ 43,499,170	$ 9,702,320	$ 7,792,063	$ 191,412,875	$ 28,281,659	**$ 305,125,782**
Additions	283,050	6,365,941	20,080,217	1,984,436	2,635,287	23,446,856	6,896,726	**61,692,513**
Disposals	-	(187,255)	(845,792)	(526,536)	(639,423)	(494,123)	(32,026,397)	**(34,719,526)**
End of year	4,011,942	26,887,489	62,733,595	11,160,220	9,787,927	214,365,608	3,151,988	**332,098,769**
Accumulated amortization								
Beginning of year	-	9,625,806	13,021,878	4,639,810	4,563,233	59,382,380	-	**91,233,107**
Amortization	-	1,077,912	1,584,685	1,080,127	487,075	3,906,339	-	**8,136,138**
Amortization on disposals	-	(182,120)	(457,540)	(509,236)	(638,271)	(437,702)	-	**(2,224,869)**
End of year	-	10,521,598	14,149,023	5,210,701	4,412,037	62,851,017	-	**97,144,376**
Net book value	$ 4,011,942	$ 16,365,891	$ 48,584,572	$ 5,949,519	$ 5,375,890	$ 151,514,591	$ 3,151,988	**$ 234,954,393**

The value of contributed tangible capital assets during the year is $ 12,953,481.

City of Thorold
Consolidated Schedule of Tangible Capital Assets
For the Year Ended December 31, 2023
(As restated - (Note 3))

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Infrastructure	Construction in Process	2023
Cost								
Beginning of year	$ 3,728,892	$ 19,928,220	$ 42,906,706	$ 8,822,474	$ 7,398,823	$ 165,966,292	$ 10,807,851	$ 259,559,258
Additions	-	780,583	592,464	1,374,473	393,240	25,665,342	19,525,566	48,331,668
Disposals	-	-	-	(494,627)	-	(218,759)	(2,051,758)	(2,765,144)
End of year	3,728,892	20,708,803	43,499,170	9,702,320	7,792,063	191,412,875	28,281,659	305,125,782
Accumulated amortization								
Beginning of year	-	8,825,071	11,694,848	4,186,405	4,155,393	55,917,234	-	84,778,951
Amortization	-	800,735	1,327,030	946,940	407,840	3,607,821	-	7,090,366
Amortization on disposals	-	-	-	(493,535)		(142,675)	-	(636,210)
End of year	-	9,625,806	13,021,878	4,639,810	4,563,233	59,382,380	-	91,233,107
Net book value	$ 3,728,892	$ 11,082,997	$ 30,477,292	$ 5,062,510	$ 3,228,830	$ 132,030,495	$ 28,281,659	$ 213,892,675

The value of contributed tangible capital assets during the year is $ 24,397,367.

City of Thorold
Consolidated Schedule of Segment Disclosure
For the Year Ended December 31, 2024

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2024
Revenues									
Taxation	$ 5,588,715	$ 6,872,320	$ 5,366,471	$ 1,394,888	$ 1,126,056	$ 76,989	$ 4,534,758	$ 1,508,391	**$ 26,468,588**
User charges	245,048	9,294,984	8,863,611	15,023,226	129,717	-	853,179	289,587	**34,699,352**
Government transfers	62,252	40,343	1,202,072	-	-	49,158	44,148	-	**1,397,973**
Other	2,642,093	573,214	4,485,271	8,970,925	109,644	-	1,460,258	-	**18,241,405**
Loss on disposal of tangible capital assets	(86,148)	-	(56,422)	-	-	-	-	-	**(142,570)**
	8,451,960	16,780,861	19,861,003	25,389,039	1,365,417	126,147	6,892,343	1,797,978	**80,664,748**
Expenses									
Wages and benefits	1,425,843	6,912,473	3,381,684	1,908,094	830,531	68,296	3,130,382	1,093,759	**18,751,062**
Operating materials and supplies	1,107,228	1,011,708	1,664,893	539,857	235,339	69,629	1,652,796	79,631	**6,361,081**
Contracted services	43,513	1,060,519	362,561	10,571,889	(65,276)	5,136	483,277	182,305	**12,643,924**
Rents and financial expenses	45,432	74,856	112,917	118,314	72,266	1,127	412,539	13,075	**850,526**
External transfers to others	-	-	4,532,810	60,922	298,000	-	553,433	185,241	**5,630,406**
Amortization	295,073	791,658	2,885,405	1,822,960	145,080	130,669	2,055,674	9,619	**8,136,138**
Debt service	15,043	-	-	-	-	-	-	-	**15,043**
	2,932,132	9,851,214	12,940,270	15,022,036	1,515,940	274,857	8,288,101	1,563,630	**52,388,180**
Annual surplus (deficit)	$ 5,519,828	$ 6,929,647	$ 6,920,733	$ 10,367,003	$ (150,523)	$ (148,710)	$ (1,395,758)	$ 234,348	**$ 28,276,568**

City of Thorold
Consolidated Schedule of Segment Disclosure

For the Year Ended December 31, 2023
(As restated - (Note 3)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2023
Revenues									
Taxation	$ 4,990,604	$ 6,026,999	$ 4,803,104	$ 1,383,877	$ 1,107,150	$ 73,657	$ 4,388,888	$ 1,307,353	$ 24,081,632
User charges	99,153	2,290,895	1,527,723	13,746,015	131,030	-	1,026,503	453,439	19,274,758
Government transfers	215,591	40,970	2,941,829	162,889	7,945	42,700	96,046	26,945	3,534,915
Other	2,817,987	394,886	8,493,029	16,415,123	92,794	-	1,119,537	-	29,333,356
Gain (loss) on disposal of tangible capital assets	(73,470)	-	(76,083)	-	-	-	-	-	(149,553)
	8,049,865	8,753,750	17,689,602	31,707,904	1,338,919	116,357	6,630,974	1,787,737	76,075,108
Expenses									
Wages and benefits	1,299,079	6,149,903	2,881,297	1,685,888	682,874	70,535	2,561,894	983,712	16,315,182
Operating materials and supplies	417,217	725,619	1,496,949	400,607	224,946	46,026	1,445,594	94,939	4,851,897
Contracted services	457,036	825,475	(230,482)	9,084,151	(35,331)	4,059	307,807	433,628	10,846,343
Rents and financial expenses	49,710	16,060	29,575	19,660	55,655	384	32,043	2,970	206,057
External transfers to others	-	-	83,594	-	298,000	-	554,118	190,666	1,126,378
Amortization	308,187	570,263	2,255,234	1,682,568	125,240	130,669	2,010,368	7,837	7,090,366
Debt service	20,574	-	-	-	-	-	-	-	20,574
	2,551,803	8,287,320	6,516,167	12,872,874	1,351,384	251,673	6,911,824	1,713,752	40,456,797
Annual surplus (deficit)	$ 5,498,062	$ 466,430	$ 11,173,435	$ 18,835,030	$ (12,465)	$ (135,316)	$ (280,850)	$ 73,985	$ 35,618,311

City of Thorold
Consolidated Schedule of Segment Disclosure with Budget Information
For the Year Ended December 31, 2024

General government	Budget 2024	**Actual 2024**	Actual 2023
Revenues			
Taxation	$ 5,460,564	**$ 5,588,715**	$ 4,990,604
User charges	75,224	**245,048**	99,153
Government transfers	135,290	**62,252**	215,591
Other	3,015,004	**2,642,093**	2,817,987
(Loss) gain on disposal of tangible capital assets	-	**(86,148)**	(73,470)
	8,686,082	**8,451,960**	8,049,865
Expenses			
Wages and benefits	1,470,430	**1,425,843**	1,299,079
Operating materials and supplies	478,231	**1,107,228**	417,217
Contracted services	76,971	**43,513**	457,036
Rents and financial expenses	29,517	**45,432**	49,710
External transfers to others	3,500	**-**	-
Amortization	295,073	**295,073**	308,187
Debt service	50,220	**15,043**	20,574
	2,403,942	**2,932,132**	2,551,803
Annual surplus	$ 6,282,140	**$ 5,519,828**	$ 5,498,062

Protection to persons and property	Budget 2024	**Actual 2024**	Actual 2023
Revenues			
Taxation	$ 6,714,734	**$ 6,872,320**	$ 6,026,999
User charges	4,114,828	**9,294,984**	2,290,895
Government transfers	28,800	**40,343**	40,970
Other	136,500	**573,214**	394,886
	10,994,862	**16,780,861**	8,753,750
Expenses			
Wages and benefits	7,045,131	**6,912,473**	6,149,903
Operating materials and supplies	948,329	**1,011,708**	725,619
Contracted services	461,016	**1,060,519**	825,475
Rents and financial expenses	15,975	**74,856**	16,060
Amortization	791,658	**791,658**	570,263
	9,262,109	**9,851,214**	8,287,320
Annual surplus	$ 1,732,753	**$ 6,929,647**	$ 466,430

City of Thorold
Consolidated Schedule of Segment Disclosure with Budget Information
For the Year Ended December 31, 2024

Transportation services	Budget 2024	**Actual 2024**	Actual 2023 (As restated) (Note 3)
Revenues			
Taxation	$ 5,243,415	**$ 5,366,471**	$ 4,803,104
User charges	4,767,498	**8,863,611**	1,527,723
Government transfers	2,861,198	**1,202,072**	2,941,829
Other	567,257	**4,485,271**	8,493,029
Loss on disposal of tangible capital assets	-	**(56,422)**	(76,083)
	13,439,368	**19,861,003**	17,689,602
Expenses			
Wages and benefits	3,347,115	**3,381,684**	2,881,297
Operating materials and supplies	1,374,784	**1,664,893**	1,496,949
Contracted services	(310,927)	**362,561**	(230,482)
Rents and financial expenses	49,403	**112,917**	29,575
External transfers to others	2,288,685	**4,532,810**	83,594
Amortization	2,885,397	**2,885,405**	2,255,234
	9,634,457	**12,940,270**	6,516,167
Annual surplus	$ 3,804,911	**$ 6,920,733**	$ 11,173,435

Environmental services	Budget 2024	**Actual 2024**	Actual 2023 (As restated) (Note 3)
Revenues			
Taxation	$ 1,360,241	**$ 1,394,888**	$ 1,383,877
User charges	15,605,242	**15,023,226**	13,746,015
Government transfers	83,660	**-**	162,889
Other	-	**8,970,925**	16,415,123
	17,049,143	**25,389,039**	31,707,904
Expenses			
Wages and benefits	1,982,144	**1,908,094**	1,685,888
Operating materials and supplies	474,520	**539,857**	400,607
Contracted services	10,174,469	**10,571,889**	9,084,151
Rents and financial expenses	12,419	**118,314**	19,660
External transfers to others	60,922	**60,922**	-
Amortization	1,822,960	**1,822,960**	1,682,568
	14,527,434	**15,022,036**	12,872,874
Annual surplus	$ 2,521,709	**$ 10,367,003**	$ 18,835,030

City of Thorold
Consolidated Schedule of Segment Disclosure with Budget Information
For the Year Ended December 31, 2024

Health services	Budget 2024	**Actual 2024**	Actual 2023
Revenues			
Taxation	$ 1,084,657	**$ 1,126,056**	$ 1,107,150
User charges	3,084,047	**129,717**	131,030
Government transfers	-	**-**	7,945
Other	72,311	**109,644**	92,794
	4,241,015	**1,365,417**	1,338,919
Expenses			
Wages and benefits	857,528	**830,531**	682,874
Operating materials and supplies	240,952	**235,339**	224,946
Contracted services	(80,071)	**(65,276)**	(35,331)
Rents and financial expenses	65,418	**72,266**	55,655
External transfers to others	298,000	**298,000**	298,000
Amortization	145,080	**145,080**	125,240
	1,526,907	**1,515,940**	1,351,384
Annual (deficit) surplus	$ 2,714,108	**$ (150,523)**	$ (12,465)

Social and family services	Budget 2024	**Actual 2024**	Actual 2023
Revenues			
Taxation	$ 75,224	**$ 76,989**	$ 73,657
Government transfers	39,000	**49,158**	42,700
Other	8,500	**-**	-
	122,724	**126,147**	116,357
Expenses			
Wages and benefits	44,416	**68,296**	70,535
Operating materials and supplies	66,277	**69,629**	46,026
Contracted services	4,498	**5,136**	4,059
Rents and financial expenses	136	**1,127**	384
Amortization	130,669	**130,669**	130,669
	245,996	**274,857**	251,673
Annual deficit	$ (123,272)	**$ (148,710)**	$ (135,316)

City of Thorold
Consolidated Schedule of Segment Disclosure with Budget Information
For the Year Ended December 31, 2024

Recreation and cultural services	Budget 2024	**Actual 2024**	Actual 2023
Revenues			
Taxation	$ 4,430,773	**$ 4,534,758**	$ 4,388,888
User charges	3,996,005	**853,179**	1,026,503
Government transfers	51,978	**44,148**	96,046
Other	904,815	**1,460,258**	1,119,537
	9,383,571	**6,892,343**	6,630,974
Expenses			
Wages and benefits	3,128,236	**3,130,382**	2,561,894
Operating materials and supplies	1,649,024	**1,652,796**	1,445,594
Contracted services	255,213	**483,277**	307,807
Rents and financial expenses	47,842	**412,539**	32,043
External transfers to others	1,457,774	**553,433**	554,118
Amortization	2,052,751	**2,055,674**	2,010,368
	8,590,840	**8,288,101**	6,911,824
Annual (deficit) surplus	$ 792,731	**$ (1,395,758)**	$ (280,850)

Planning and development	Budget 2024	**Actual 2024**	Actual 2023
Revenues			
Taxation	$ 1,473,803	**$ 1,508,391**	$ 1,307,353
User charges	1,853,208	**289,587**	453,439
Government transfers	22,600	**-**	26,945
	3,349,611	**1,797,978**	1,787,737
Expenses			
Wages and benefits	1,440,092	**1,093,759**	983,712
Operating materials and supplies	190,637	**79,631**	94,939
Contracted services	101,940	**182,305**	433,628
Rents and financial expenses	3,863	**13,075**	2,970
External transfers to others	227,185	**185,241**	190,666
Amortization	9,619	**9,619**	7,837
	1,973,336	**1,563,630**	1,713,752
Annual surplus	$ 1,376,275	**$ 234,348**	$ 73,985

Financial Report

Thorold Public Library

December 31, 2024

Contents

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Independent auditor's report

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

Qualified Opinion

We have audited the financial statements of the Thorold Public Library ("the Library"), which comprise the statement of financial position as at December 31, 2024, 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 possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Thorold Public Library as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Library derives revenue from donations and cash sales, 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 Thorold Public Library. Therefore, we were not able to determine whether any adjustments might be necessary to donations and other revenue and annual surplus for the years ended December 31, 2024 and 2023, net financial assets as at December 31, 2024 and 2023, and accumulated surplus as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 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 Library 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 accounting standards for public sector 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 Library'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 Library or to cease operations, or has no realistic alternative but to do so.

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

Doane Grant Thornton LLP

Port Colborne, Canada
June 24, 2025

Chartered Professional Accountants
Licensed Public Accountants

Thorold Public Library
Statement of Financial Position
As at December 31, 2024

		2024		2023
Financial assets				
Cash (Note 4)	**$**	**75,020**	$	72,243
Portfolio investments (Note 5)		**46,198**		47,708
Receivables		**11,509**		9,024
Due from City of Thorold		**26,875**		20,509
		159,602		149,484
Liabilities				
Payables and accruals		**20,430**		14,702
Employee benefit obligations (Note 6)		**72,979**		75,479
		93,409		90,181
Net financial assets		**66,193**		59,303
Non-financial assets				
Tangible capital assets (Pages 18 and 19)		**391,411**		396,385
Prepaid expenses		**2,075**		2,115
		393,486		398,500
Accumulated surplus (Note 7)	**$**	**459,679**	$	457,803

On behalf of the Board

See accompanying notes to the financial statements

Thorold Public Library
Statement of Operations
For the Year Ended December 31, 2024

	Budget 2024 (Note 13)	**Actual 2024**	Actual 2023
Revenues			
Municipal contribution	$ 795,600	**$ 795,600**	$ 733,422
Government transfers (Note 9)	32,400	**37,148**	45,228
Other (Note 10)	18,000	**18,142**	20,058
	846,000	**850,890**	798,708
Expenses			
Administration	27,850	**28,882**	35,380
Amortization	80,818	**80,818**	85,054
Electronic resources, periodicals and newspapers	6,900	**11,986**	11,223
Insurance	13,200	**16,566**	13,016
Programs	5,000	**5,335**	20,771
Repairs and maintenance	37,300	**46,863**	43,684
Salaries, wages and benefits (Notes 11 and 12)	663,000	**651,272**	621,251
Service contracts	19,650	**19,373**	51,613
Supplies	6,400	**6,854**	6,971
Utilities	24,700	**21,065**	22,796
	884,818	**889,014**	911,759
Net expenses	(38,818)	**(38,124)**	(113,051)
Revenues related to tangible capital assets			
Municipal contribution	10,000	**10,000**	10,000
Development charges	30,000	**30,000**	-
	40,000	**40,000**	10,000
Annual surplus (deficit)	1,182	**1,876**	(103,051)
Accumulated surplus (Note 7)			
Beginning of year	457,803	**457,803**	560,854
End of year	$ 458,985	**$ 459,679**	$ 457,803

See accompanying notes to the financial statements

Thorold Public Library
Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2024

	Budget 2024 (Note 13)	**Actual 2024**	Actual 2023
Annual surplus (deficit)	$ 1,182	**$ 1,876**	$ (103,051)
Amortization of tangible capital assets	80,818	**80,818**	85,054
Acquisition of tangible capital assets	(82,000)	**(75,844)**	(36,425)
	-	**6,850**	(54,422)
Usage (acquisition) of prepaid expenses	-	**40**	(40)
Increase (decrease) in net financial assets	-	**6,890**	(54,462)
Net financial assets			
Beginning of year	59,303	**59,303**	113,765
End of year	$ 59,303	**$ 66,193**	$ 59,303

See accompanying notes to the financial statements

Thorold Public Library
Statement of Cash Flows
For the Year Ended December 31, 2024

	2024	2023
Increase (decrease) in cash and cash equivalents		
Operating activities		
Annual surplus (deficit)	**$ 1,876**	$ (103,051)
Non-cash items:		
Amortization of tangible capital assets	**80,818**	85,054
Changes in:		
Receivables	**(2,485)**	8,328
Due from City of Thorold	**(6,366)**	1,393
Payables and accruals	**5,728**	(4,481)
Prepaid expenses	**40**	(40)
	79,611	(12,797)
Capital activities		
Acquisition of tangible capital assets	**(75,844)**	(36,425)
Financing activities		
Increase in employee benefit obligations	**(2,500)**	7,700
Investing activities		
Decrease (increase) in portfolio investments, net	**1,510**	(539)
Net increase (decrease) in cash	**2,777**	(42,061)
Cash		
Beginning of year	**72,243**	114,304
End of year	**$ 75,020**	$ 72,243

See accompanying notes to the financial statements

1. Purpose of the Library

The Thorold Public Library (“the Library”) provides library services to residents of the City of Thorold and residents of other municipalities who have contracted with the Library for services.

2. Significant accounting policies

Management responsibility

The financial statements of the Library are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards. The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The significant accounting policies used are as follows:

(a) Reporting entity

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

(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) Portfolio investments

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

(d) Deferred revenue

Receipts which are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as deferred revenues. When qualifying expenses are incurred, deferred revenues are recognized as revenue at equal amounts. Revenues received in advance of expenses, which will be incurred in a later period, are deferred until they are earned by being matched against those expenses.

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 Library does not capitalize interest as part of the costs of its capital assets.

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. 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.

Amortization is based on the following classifications and useful lives:

Classification	Useful Life
Books	7 years
DVDs	3 years
Office equipment	5 years
Furniture and equipment	10 years
Computer equipment	4 years
Building improvements	20 years

For non-pooled assets, amortization is charged in the year of acquisition beginning in the month subsequent to asset purchase. For pooled assets, amortization is not charged in the year of acquisition and begins in the year subsequent to asset purchase. Assets under construction are not amortized until the asset is available for productive use.

(f) Revenue recognition

i) User charges
User charges are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.

2. Significant accounting policies (continued)

(g) Revenue recognition (continued)

i) Government transfers

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

ii) Other

Other revenue is recorded when it is earned, when any performance obligations have been satisfied and collection is reasonably assured.

(h) Reserves for future expenses

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

(i) Financial instruments

The Library initially measures its financial assets and financial liabilities at fair value.

The Library subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, portfolio investments, receivables and due from City of Thorold.

Financial liabilities measured at amortized cost include payables and accruals.

(j) Use of estimates

The preparation of the 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. Areas in which management make estimates are with regards to an allowance for doubtful accounts, accrued liabilities, employee benefit obligations and useful lives of tangible capital assets.

3. Adoption of new guidance

Effective January 1, 2024, the Library adopted new Public Sector Accounting Standards Sections PS 3400 Revenue. New Section PS 3400 requires accounting for revenue transactions by distinguishing between transactions with and without performance obligations.

Revenue is recognized for transactions with performance obligations when the public sector entity has satisfied a performance obligation by providing goods or services to a payor in an exchange transaction.

Revenue is recognized for transactions without performance obligations when the public sector entity has the authority to collect and retains the benefit from the revenue source, with no specific obligation to provide goods or services directly in exchange.

The revenue recognition criteria is dependent on whether the transaction is an exchange or non-exchange transaction, with consideration given to enforceability and the nature of the obligations imposed.

There were no adjustments required as a result of this guidance change. The new guidance has been applied using the prospective approach. There were no changes to the comparative period.

4. Cash

	2024	2023
Cash on hand	$ 200	$ 200
Bank balances	74,820	72,043
	$ 75,020	$ 72,243

5. Portfolio investments

Portfolio investments consist of guaranteed investment certificates that carry an effective interest rate from 2.50% to 3.20% and maturity dates ranging from May, 2025 to December, 2025. Interest is receivable on maturity. Portfolio investments reported on the Statement of Financial Position have a market value of $ 46,349 (2023 - $ 48,547). The Library’s investment policy is to be able to hold investments until maturity. Accordingly, the financial statements only recognize gains or losses on investments sold prior to maturity.

6. Employee benefit obligations

		2024		2023
Accrued vacation pay	$	**17,479**	$	17,479
Post-employment benefits		**55,500**		58,000
	$	**72,979**	$	75,479

(a) Accrued vacation pay

As at December 31, 2024, employees of the Library have accumulated vacation pay credits in the amount of $ 17,479 (2023 - $ 17,479). Any unused credits may be carried forward to the next year.

(b) Post-employment benefits

Under the Library's prior sick leave benefit plan, unused sick leave could accumulate and employees may have become entitled to a cash payment when they leave the Library's employment. Employees eligible to retire under the OMERS early retirement provisions are eligible to receive medical and dental benefits to the age of sixty-five, and life insurance benefits to the date of the employee's death. The Library pays the total premiums for such benefits.

The accrued benefit obligation at December 31, 2024 of $ 55,500 (2023 - $ 58,000) was determined by actuarial valuation using a discount rate of 4.6% (2023 - 4.6%).

Actuarial valuations for accounting purposes are performed every three years 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.

6. Employee benefit obligations (continued)

(b) Post-employment benefits (continued)

The most recent actuarial valuation was prepared at December 31, 2023. The main actuarial assumptions employed for the valuation are as follows:

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

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

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

Medical costs – medical costs were assumed to be 7.5% per annum for 2024 grading down 0.5% per annum to a rate of 4% per annum.

	2024	2023
Accrued benefit obligation		
Beginning of year	**$ 58,000**	$ 50,300
Current service cost	**2,300**	4,000
Interest cost	**3,200**	2,000
Benefits paid	**(9,000)**	(5,200)
Past service costs due to plan amendment	**-**	5,000
Amortization of actuarial loss	**1,000**	1,900
	$ 55,500	$ 58,000
Funded status		
Deficit	**$ 68,000**	$ 71,500
Unamortized actuarial loss	**(12,500)**	(13,500)
	$ 55,500	$ 58,000

The net benefit expense for the employee benefit plan is as follows:

Current service cost	**$ 2,300**	$ 4,000
Interest cost	**3,200**	2,000
Benefits paid	**(9,000)**	(5,200)
Past service costs due to plan amendment	**-**	5,000
Amortization of actuarial gain	**1,000**	1,900
	$ (2,500)	$ 7,700

7. Accumulated surplus

	2024	2023
Operating surplus	**$ 110,165**	$ 107,196
Investment in tangible capital assets	**391,411**	396,385
Reserves and reserve funds (Note 8)	**31,082**	29,701
Unfunded liabilities	**(72,979)**	(75,479)
	$ 459,679	$ 457,803

8. Reserves and reserve funds

	2024	2023
Reserve funds set aside by the Library for specific purposes:		
Expansion	**$ 31,082**	$ 29,701
Total reserves and reserve funds	**$ 31,082**	$ 29,701

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

	2024	2023
Balance, beginning of year	**$ 29,701**	$ 28,806
Contributions from		
Interest earned	**1,381**	895
Balance, end of year	**$ 31,082**	$ 29,701

9. Government transfers

	Budget 2024	Actual 2024	Actual 2023
Operating			
Province of Ontario			
Unconditional	$ 29,700	**$ 29,684**	$ 29,684
Pay equity grant	2,700	**2,744**	2,744
Government of Canada			
HRDC summer student grant	-	**4,720**	-
Region of Niagara			
Digitization grant	-	**-**	12,800
	$ 32,400	**$ 37,148**	$ 45,228

10. Other revenue

		Budget 2024		**Actual 2024**		Actual 2023
Operating						
Fines and fees	$	3,000	**$**	**3,796**	$	3,401
Interest		-		**420**		326
Interest - reserves		-		**1,381**		894
Miscellaneous		15,000		**12,545**		15,437
	$	18,000	**$**	**18,142**	$	20,058

11. Salaries, wages and benefits

		Budget 2024		**Actual 2024**		Actual 2023
Salaries and wages	$	525,000	**$**	**522,092**	$	492,702
Benefits		138,000		**129,180**		128,549
	$	663,000	**$**	**651,272**	$	621,251

12. Pension agreements

The Library 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 $ 4.3 billion (2023 - $ 7.6 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 2024 calendar year at rates ranging from 9.0% to 15.8% depending on the member's designated retirement age and level of earnings. Employer contributions for current and past service are included as an expense in the Statement of Operations. Employer contributions to OMERS for 2024 current and past service was $ 49,891 (2023 - $ 48,586) and were matched by employee contributions in a similar amount.

13. Budget

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 Statement of Operations and Statement of Changes in Net Financial Assets represent the budget adopted by the Library with the following adjustments:

Budgeted annual surplus	$ -
Add:	
Acquisition of tangible capital assets	82,000
Less:	
Amortization of tangible capital assets	(80,818)
Budgeted surplus per Statement of Operations	$ 1,182

14. Financial instruments

The Library is exposed to various risks through its financial instruments. The following analysis provides a measure of the Library's risk exposures as at December 31, 2024:

Credit risk

Credit risk is the risk of financial loss to the Library if a debtor fails to pay the amounts owing to the Library. The Library is exposed to this risk arising from its cash and cash equivalents, due from City of Thorold and receivables. The Library holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Library's cash accounts are insured up to $ 75,020 (2023 - $ 72,043).

Receivables are primarily due from government, corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Library measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up for specific accounts deemed to be possibly uncollectible. In the current and prior year, no impairment allowance was recorded. There were no changes in exposures to credit risk during the period.

Liquidity risk

Liquidity risk is the risk that the Library will not be able to meet all cash outflow obligations as they come due. The Library mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining cash and cash equivalents if unexpected cash outflows arise. The following undiscounted cash-flows are required to settle the Library's financial liabilities within one year $ 20,430 (2023 - $ 14,702).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

14. Financial instruments (continued**)**

Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Library is mainly exposed to interest risk.

a) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Library is exposed to interest rate risk on its portfolio investments.There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Thorold Public Library
Schedule of Tangible Capital Assets
For the Year Ended December 31, 2024

	Books	DVDs	Office Equipment	Computers	Building Improvements	**2024**
Cost						
Beginning of year	$ 357,840	$ 8,550	$ 14,371	$ 24,243	$ 360,860	**$ 765,864**
Additions	59,679	3,013	-	12,160	992	**75,844**
Disposals	(51,808)	(4,021)	(4,968)	-	-	**(60,797)**
End of year	365,711	7,542	9,403	36,403	361,852	**780,911**
Accumulated amortization						
Beginning of year	164,973	3,437	7,149	10,789	183,131	**369,479**
Amortization	51,120	2,857	2,874	6,061	17,906	**80,818**
Amortization on disposals	(51,808)	(4,021)	(4,968)	-	-	**(60,797)**
End of year	164,285	2,273	5,055	16,850	201,037	**389,500**
Net book value	$ 201,426	$ 5,269	$ 4,348	$ 19,553	$ 160,815	**$ 391,411**

Thorold Public Library
Schedule of Tangible Capital Assets
For the Year Ended December 31, 2023

	Books	DVDs	Office Equipment	Computers	Building Improvements	2023
Cost						
Beginning of year	$ 383,116	$ 10,414	$ 14,371	$ 40,181	$ 352,245	$ 800,327
Additions	25,626	2,184	-	-	8,615	36,425
Disposals	(50,902)	(4,048)	-	(15,938)	-	(70,888)
End of year	357,840	8,550	14,371	24,243	360,860	765,864
Accumulated amortization						
Beginning of year	161,144	4,007	4,275	20,665	165,222	355,313
Amortization	54,731	3,478	2,874	6,062	17,909	85,054
Amortization on disposals	(50,902)	(4,048)	-	(15,938)	-	(70,888)
End of year	164,973	3,437	7,149	10,789	183,131	369,479
Net book value	$ 192,867	$ 5,113	$ 7,222	$ 13,454	$ 177,729	$ 396,385

Financial Statements

Thorold Business Improvement Area

2024

Contents

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Independent auditor's report

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

Qualified Opinion

We have audited the financial statements of the Thorold Business Improvement Area ("the BIA"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, change 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 possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Thorold Business Improvement Area as at December 31, 2024, 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

The Entity derives revenue from fundraising and sponsorship revenue, 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 fees and sponsorship revenue, annual surplus and cash flows from operations for the year ended December 31, 2024, net financial assets as at December 31, 2024, and accumulated surplus as at December 31, 2024. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified because of the possible effects of a limitation in scope related to unsupported expenses.

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 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.

Doane Grant Thornton LLP

Port Colborne, Canada	Chartered Professional Accountants
August 25, 2025	Licensed Public Accountants

Thorold Business Improvement Area
Statement of Financial Position

As at December 31	2024	2023
Assets		
Cash	**$ 49,397**	$ 68,640
Accounts receivable	**81**	-
Harmonized sales tax receivable	**24,268**	21,024
	73,746	89,664
Liabilities		
Accounts payable	**5,319**	5,006
Due to City of Thorold	**182**	-
	5,501	5,006
Net financial assets	**68,245**	84,658
Non-financial assets		
Tangible capital assets (Note 4)	**18,497**	12,669
Accumulated surplus (Note 5)	**$ 86,742**	$ 97,327

On behalf of the Board

See accompanying notes to the financial statements.

Thorold Business Improvement Area
Statement of Operations

For the Year Ended December 31, 2024

	Budget 2024 (Note 6)	**2024**	2023
Revenues			
Tax levy from City of Thorold, net of write-offs	$ 44,000	**$ 43,818**	$ 44,000
Other revenue	-	**3,060**	200
	44,000	**46,878**	44,200
Expenses			
Administration	34,708	**30,058**	17,852
Advertising, promotion and events	30,415	**18,965**	22,797
Amortization	5,483	**5,483**	6,501
Donation expense – special events	-	**2,957**	-
	70,606	**57,463**	47,150
Annual deficit	(26,606)	**(10,585)**	(2,950)
Accumulated surplus (Note 5)			
Beginning of year	97,327	**97,327**	100,277
End of year	$ 70,721	**$ 86,742**	$ 97,327

See accompanying notes to the financial statements.

Thorold Business Improvement Area
Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2024

	Budget 2024 (Note 6)	**2024**	2023
Annual deficit	$ (26,606)	**$ (10,585)**	$ (2,950)
Acquisition of tangible capital assets	(10,000)	**(11,311)**	(791)
Amortization of tangible capital assets	5,483	**5,483**	6,501
(Decrease) increase in net financial assets	(31,123)	**(16,413)**	2,760
Use of prepaid expenses	-	**-**	276
(Decrease) increase in net financial assets	(31,123)	**(16,413)**	3,036
Net financial assets			
Beginning of year	84,658	**84,658**	81,622
End of year	$ 53,535	**$ 68,245**	$ 84,658

See accompanying notes to the financial statements.

Thorold Business Improvement Area
Statement of Cash Flows

For the Year Ended December 31	**2024**	2023
Increase (decrease) in cash		
Operating transactions		
Annual deficit	**$ (10,585)**	$ (2,950)
Non-cash item		
Amortization of tangible capital assets	**5,483**	6,501
(Increase) decrease in accounts receivable	**(81)**	10,985
Increase in harmonized sales tax receivable	**(3,244)**	(2,006)
Decrease in prepaid expenses	**-**	276
Increase in accounts payable	**313**	1,407
Increase in Due to City of Thorold	**182**	-
	(7,932)	14,213
Capital transactions		
Acquisition of tangible capital assets	**(11,311)**	(791)
Net (decrease) increase in cash	**(19,243)**	13,422
Cash		
Beginning of year	**68,640**	55,218
End of year	**$ 49,397**	$ 68,640

See accompanying notes to the financial statements.

1. Purpose of the Business Improvement Area

The Thorold Business Improvement Area ("BIA"), established in 1980 pursuant to the Ontario Municipal Act, operates to revitalize and promote the downtown area of Thorold, Ontario.

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

2. Summary of significant accounting policies

Management responsibility

The financial statements are the responsibility of and prepared by management in accordance with Canadian public sector accounting standards. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The significant accounting policies used are as follows:

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.

Reporting entity

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

Tangible capital assets

(i) Determination of costs

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.

(ii) Amortization

Amortization is recorded to reflect the cost, net of anticipated salvage value, associated with the use of the asset in providing government services over the estimated useful life of the asset. Amortization expense is calculated on a straight-line basis over the assets' estimated useful lives. For non-pooled assets, amortization is charged in the year of acquisition beginning in the month subsequent to asset purchase. For pooled assets, amortization is not charged in the year of acquisition and begins in the year subsequent to asset purchase.

Decorations	5 years
Outdoor furniture and equipment	5 years

2. Summary of significant accounting policies (continued)

Contributed services

The BIA receives contributions of volunteer services. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Revenue recognition

Tax revenue is recognized in the year in which the tax billings are issued by the City of Thorold.

Government transfers are recognized in the period when the related expenses are incurred for the funding provided. Deferred revenue is recognized when the funds received are related to expenditures of a future period.

Other revenue is recorded when it is earned, measurable and collection is reasonably assured.

Financial instruments

The BIA initially measures its financial assets and financial liabilities at fair value. The BIA subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents and receivables. Financial liabilities measured at amortized cost include payables and accruals.

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 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. The only area for which management make estimates is the useful lives of the tangible capital assets.

3. Change in accounting policy

Effective January 1, 2024, the BIA adopted new Public Sector Accounting Standards Section PS 3400 Revenue. New Section PS 3400 requires accounting for revenue transactions by distinguishing between transactions with and without performance obligations.

Transactions with Performance Obligations: Revenue is recognized when the public sector entity has satisfied a performance obligation by providing goods or services to a payor in an exchange transaction.

Transactions without Performance Obligations: Revenue is recognized when the public sector entity has the authority to collect and retains the benefit from the revenue source, with no specific obligation to provide goods or services directly in exchange.

3. Change in accounting policy (continued)

Recognition Criteria: Revenue recognition depends on whether the transaction is an exchange or non-exchange transaction, with consideration given to enforceability and the nature of the obligations imposed.

There were no adjustments required as a result of this guidance change. The new guidance has been applied using the prospective approach. There were no changes to the comparative period.

4. Tangible capital assets

	2024	2023
Cost, beginning of year	**$ 67,205**	$ 66,414
Add additions during the year	**11,311**	791
Less disposals during the year	**(28,177)**	-
Cost, end of year	**50,339**	67,205
Accumulated amortization, beginning of year	**54,536**	48,035
Add amortization during the year	**5,483**	6,501
Less disposals during the year	**(28,177)**	-
Accumulated amortization, end of year	**31,842**	54,536
Net book value	**$ 18,497**	$ 12,669

5. Accumulated surplus

	2024	2023
Operating surplus	**$ 68,245**	$ 84,658
Investment in tangible capital assets	**18,497**	12,669
	$ 86,742	$ 97,327

6. Budget

The budget approved by the BIA includes expenses for tangible capital assets but does not include amortization of tangible capital assets. The following is a reconciliation of the approved budget to that reported on the statement of operations.

	2024
Approved budgeted annual surplus (deficit)	$ (31,123)
Add budgeted acquisition of tangible capital assets	10,000
Less amortization of tangible capital assets	(5,483)
Budgeted annual deficit reported on the statement of operations	$ (26,606)

7. Financial instruments

Risk disclosures

Credit risk

Credit risk is the risk of financial loss to the BIA if a debtor fails to discharge their obligation (e.g., pay the accounts receivable owing to the BIA). The BIA is exposed to this risk arising from its cash and cash equivalents and receivables. The BIA holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the BIA's cash accounts are insured up to $ 49,397 (2023 - $ 68,640).

Receivables are primarily due from government, corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The BIA measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the BIA's historical experience regarding collections. In the current and prior years, there is no impairment allowance related to the receivables. There were no changes in exposures to credit risk during the period.

As at December 31, 2024, receivables consisted of $ 24,268 (2023 – 21,024) of HST rebates receivable and $ 81 (2023 - $ Nil) other receivables.

7. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the BIA will not be able to meet all cash outflow obligations as they come due. The BIA mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining cash and cash equivalents if unexpected cash outflows arise. The following undiscounted cash-flows are required to settle the BIA's financial liabilities within one year $ 5,501 (2023 - $ 5,006)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.