

Financial Statements of

**CORPORATION OF THE
CITY OF NIAGARA FALLS,
ONTARIO**

TRUST FUNDS

And Independent Auditor's Report thereon

Year ended December 31, 2023

CORPORATION OF THE CITY OF NIAGARA FALLS, ONTARIO

TRUST FUNDS

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Year ended December 31, 2023

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Management Report

The accompanying financial statements of the Corporation of the City of Niagara Falls, Ontario – Trust Funds (the "Entity") are the responsibility of the Entity's management and have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Entity's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian public sector accounting standards and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board members meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, Chartered Professional Accountants, independent external auditors appointed by the Entity. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Entity's financial statements.

[signature of] _____

Jim Diodati, Mayor

[signature of] _____

Jason Burgess, Chief Administrative Officer

November 12, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Rate Payers of the Corporation of the City of Niagara Falls, Ontario – Trust Funds

Opinion

We have audited the consolidated financial statements of the Corporation of the City of Niagara Falls, Ontario – Trust Funds (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of financial activities and changes in fund balances for the year then ended
- the statement of remeasurement gains and losses as at December 31, 2023
- and notes, comprising a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Niagara Falls, Ontario – Trust Funds as at December 31, 2023, and statement of financial activities and changes in fund balances for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

Basis for Opinion

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Matter – Comparative Information

The financial statements as at and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 11, 2023.

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

St. Catharines, Canada

November 12, 2024

THE CORPORATION OF THE CITY OF NIAGARA FALLS, ONTARIO

TRUST FUNDS

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	Cemetery Perpetual Care	Other	2023 Total	2022 Total
Assets				
Cash	\$1,424	\$16	\$1,440	\$1,064
Investments (note 3):				
Federal	3,936	0	3,936	1,815
Provincial	0	0	0	1,044
Corporate	0	1	1	876
Subtotal - investments	3,936	1	3,937	3,735
Due from the City of Niagara Falls	58	1	59	481
Total assets	\$5,418	\$18	\$5,436	\$5,280
 Fund Balances				
Total fund balances	\$5,418	\$18	\$5,436	\$5,280
 Fund balances consist of:				
Accumulated operating surplus	\$5,414	\$18	\$5,432	\$5,280
Accumulated remeasurement gains	4	0	4	0
 Total fund balances	 \$5,418	 \$18	 \$5,436	 \$5,280

See accompanying notes to financial statements.

On behalf of the Trusts:

[signature of] _____ Mayor

[signature of] _____ Chief Administrative Officer

THE CORPORATION OF THE CITY OF NIAGARA FALLS, ONTARIO

TRUST FUNDS

Statement of Financial Activities and Changes in Fund Balances

Year ended December 31, 2023, with comparative information for 2022

	Cemetery Perpetual Care	Other	2023 Total	2022 Total
Receipts:				
Cemetery lot receipts	\$327	\$0	\$327	\$284
Interest	47	1	48	82
Land sale deposits	0	114	114	245
Other income	1	4	5	0
Total receipts	375	119	494	611
 Expenditures:				
Cemetery care	0	0	0	82
Transfer to operating fund	0	342	342	63
Total expenditures	0	342	342	145
 Excess (deficiency) of receipts over expenditures	375	(223)	152	466
 Net remeasurement gains	4	0	4	0
 Fund balance, beginning of year	5,039	241	5,280	4,814
 Fund balance, end of year	\$5,418	\$18	\$5,436	\$5,280

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF NIAGARA FALLS, ONTARIO

TRUST FUNDS

Statement of Remeasurement Gains and Losses

Year ended December 31, 2023, with comparative information for 2022

	Cemetery Perpetual Care	Other	2023 Total	2022 Total
Accumulated remeasurement gains, beginning of year	\$0	\$0	\$0	\$0
Unrealized gains attributable to:				
Investments	4	0	4	0
Subtotal	4	0	4	0
Amounts reclassified to the statement of operations:				
Investments	0	0	0	0
Subtotal	0	0	0	0
Accumulated remeasurement gains, end of year	\$4	\$0	\$4	\$0

See accompanying notes to financial statements.

THE CORPORATION OF THE CITY OF NIAGARA FALLS, ONTARIO

TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies:

The financial statements of The Corporation of the City of Niagara Falls (the “City”) trust funds (the “Trust”) are the representations of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada.

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as the result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Interest income:

Interest income is reported as revenue in the period earned.

(c) Investments:

Investments consist of principal protected notes “PPNs” which are recorded at fair market value. Remeasurement of PPNs are measured through the statement of remeasurement gains and losses at December 31, 2023. The Trust also holds portfolio investments which are recorded at cost. When the investments incur a loss in value that is other than temporary, the investments are written down to their fair value and the loss is recognized in the statement of operations.

THE CORPORATION OF THE CITY OF NIAGARA FALLS, ONTARIO

TRUST FUNDS

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

2. Change in accounting policies:

In the current year, the Trust adopted the following accounting standards:

- PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities.
- PS 3450 Financial Instruments. The new accounting standard provides specific guidance on recognizing financial liabilities through fair value versus cost.

There was no impact on the Financial Statements of the Trust as a result of the adoption of PS 3280 Asset Retirement Obligation.

As a result of the adoption of PS 3450 Financial Instruments, the Trust in accordance with the provision of this new standard applied the change prospectively as of January 1, 2023 for all investments required to report at fair market value.

3. Investments:

Trust fund investments of \$453,695 (2022 - nil) are carried at fair market value. Investments of \$3,482,707 (2022 - \$3,735,442) are carried at cost and have a fair market value as at December 31, 2023 of \$3,433,815 (2022 - \$3,520,546). The fair market value represents the realizable value of investments if they were to be sold at December 31, 2023. These investments consist of bonds, treasury bills and portfolio investments.

4. Due to/from operating fund:

The amounts owing to/from the operating fund are held with the City and are non-interest bearing with no fixed terms of repayment.

5. Other trust funds:

	2023	2022
Trust for land sales	\$0	\$227,950
Rigg Estate	528	500
W.L. Doran Estate	1,055	1,000
Moore Estate	5,053	1,200
McNiven Estate	528	500
McDonald Estate	422	400
Woodruff Estate	8,754	8,295
Coulseen Estate	317	300
Wilston Estate	528	500
C.J. Doran Estate	528	500
Total other trust funds	\$17,713	\$241,145