



Financial statements

Niagara Central Dorothy Rungeling Airport  
Commission

December 31, 2021

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## Independent auditor's report

To the Board Members of the Niagara Central Dorothy Rungeling Airport Commission, Members of Council, Inhabitants and Taxpayers of the Corporation of the City of Welland

### Opinion

We have audited the financial statements of the **Niagara Central Dorothy Rungeling Airport Commission** ("the Commission"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Niagara Central Dorothy Rungeling Airport Commission** as at December 31, 2021, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial statements* section of our report. We are independent of the Commission 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

The financial statements of the Commission for the year ended December 31, 2020 were audited by another practitioner who expressed an unmodified opinion on those statements on May 13, 2021.

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

Those charged with governance are responsible for overseeing the Commission'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 Commission'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 Commission'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 Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

Mississauga, Canada  
March 31, 2022

Chartered Professional Accountants  
Licensed Public Accountants

# Niagara Central Dorothy Rungeling Airport Commission

## Statement of operations and accumulated surplus

Year ended December 31, 2021

	<u>Budget 2021</u>	<u>Actual 2021</u>	<u>Actual 2020</u>
<b>Revenue</b>			
Grants (Note 3)	\$ 154,770	\$ 154,770	\$ 154,770
Rentals	89,000	89,363	85,139
Recovered property taxes	23,650	26,685	26,279
Fuel net earnings (Schedule 1)	28,076	12,100	4,956
Donations	-	1,558	35
Other	-	1,256	138
Interest	-	474	-
	<u>295,496</u>	<u>286,206</u>	<u>271,316</u>
<b>Expenses</b>			
Amortization of tangible capital assets	80,000	80,269	73,244
Consulting	1,200	27,975	6,633
Honorariums	500	2,517	1,275
Insurance	13,247	13,396	13,961
Interest	9,120	1,644	902
Interest on loans	64,479	11,835	14,060
Legal, audit and accounting	17,900	7,858	16,437
Light, heat and water	4,800	2,704	4,119
Office	5,000	4,181	7,881
Promotion and marketing	1,500	200	838
Property taxes (Note 10)	45,800	46,262	49,512
Repairs and maintenance	23,250	23,924	39,099
Salaries and wages	28,700	8,007	69,146
	<u>295,496</u>	<u>230,772</u>	<u>297,107</u>
<b>Annual surplus (deficit)</b>	-	55,434	(25,790)
<b>Accumulated surplus, beginning of year</b>	<u>1,293,838</u>	<u>1,293,838</u>	<u>1,319,628</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 1,293,838</u>	<u>\$ 1,349,272</u>	<u>\$ 1,293,838</u>

The accompanying notes are an integral part of the financial statements.

# Niagara Central Dorothy Rungeling Airport Commission

## Statement of change in net debt

Year ended December 31, 2021

	Budget 2021	Actual 2021	Actual 2020
<b>Annual surplus (deficit)</b>	\$ (80,000)	\$ 55,434	\$ (25,790)
Amortization of tangible capital assets	80,000	80,269	73,244
Acquisition of tangible capital assets, net	-	<u>(25,289)</u>	<u>(56,558)</u>
	<u>-</u>	<u>110,414</u>	<u>(9,104)</u>
Purchase of fuel inventory	(58,771)	(99,530)	(62,948)
Sale of fuel inventory	58,771	91,277	72,974
	<u>-</u>	<u>(8,253)</u>	<u>10,026</u>
Acquisition of prepaid expenses	-	(14,783)	(15,040)
Use of prepaid expenses	-	15,040	16,753
	<u>-</u>	<u>257</u>	<u>1,713</u>
<b>Decrease in net debt</b>	-	102,418	2,635
<b>Net debt, beginning of year</b>	<u>(213,038)</u>	<u>(213,038)</u>	<u>(215,673)</u>
<b>Net debt, end of year</b>	\$ <u>(213,038)</u>	\$ <u>(110,620)</u>	\$ <u>(213,038)</u>

The accompanying notes are an integral part of the financial statements.

# Niagara Central Dorothy Rungeling Airport Commission

## Statement of financial position

December 31

2021

2020

**Financial assets**

Cash	\$ 124,825	\$ 82,120
Investments (Note 6)	155,630	154,947
Accounts receivable	<u>6,485</u>	<u>32,288</u>
	<u>286,940</u>	<u>269,355</u>

**Financial liabilities**

Accounts payable and accrued liabilities (Note 4)	30,376	67,881
Loans payable (Note 5)	334,557	374,431
Capital lease obligation (Note 9)	<u>32,627</u>	<u>40,081</u>
	<u>397,560</u>	<u>482,393</u>

Net debt	<u>(110,620)</u>	<u>(213,038)</u>
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**Non-financial assets**

Prepaid expenses	14,783	15,040
Fuel inventory	23,912	15,659
Tangible capital assets (Schedule 2)	<u>1,421,197</u>	<u>1,476,177</u>
	<u>1,459,892</u>	<u>1,506,876</u>

<b>Accumulated surplus (Note 7)</b>	<b>\$ <u>1,349,272</u></b>	<b>\$ <u>1,293,838</u></b>
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Contingencies (Note 11)

Approved on behalf of the Commission

 Chair

\_\_\_\_\_ Chair

The accompanying notes are an integral part of the financial statements.

# Niagara Central Dorothy Rungeling Airport Commission

## Statement of cash flows

Year ended December 31

2021

2020

**Net inflow (outflow) of cash related to the following activities:**

**Operating**

Annual surplus (deficit)	\$	55,434	\$	(25,790)
Non-cash changes to operations				
Amortization of tangible capital assets		80,269		73,244
Changes in non-cash assets and liabilities				
Decrease in accounts receivable		25,803		10,785
Decrease in prepaid expenses		257		1,713
(Decrease) increase in accounts payable and accrued liabilities		(37,505)		886
(Increase) decrease in fuel inventory		(8,253)		10,026
		<u>116,005</u>		<u>70,864</u>

**Investing**

Purchase of investments		(155,630)		(125,000)
Proceeds from investments		154,947		-
Acquisition of tangible capital assets, net		(25,289)		(56,558)
		<u>(25,972)</u>		<u>(181,558)</u>

**Financing**

Repayment of capital lease		(7,454)		(7,392)
Advance of loans payable		-		40,000
Repayment of loans payable		(39,874)		(38,409)
		<u>(47,328)</u>		<u>(5,801)</u>

**Increase (decrease) in cash** 42,705 (116,495)

**Cash, beginning of year** 82,120 198,615

**Cash, end of year** \$ 124,825 \$ 82,120

The accompanying notes are an integral part of the financial statements.



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# Niagara Central Dorothy Rungeling Airport Commission

## Notes to the financial statements

December 31, 2021

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### 1. Nature of operations

Niagara Central Dorothy Rungeling Airport Commission (the "Commission") operates a two-runway airport offering a year-round fixed-base operation. The Commission is funded by the four nearby municipalities; City of Welland, City of Port Colborne, Town of Pelham and the Township of Wainfleet.

All earnings of the Commission are retained and reinvested in airport operations and development.

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### 2. Summary of significant accounting policies

The financial statements of the Commission have been prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS"), and reflect the following significant accounting policies:

#### Reporting entity

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

#### Budget figures

The budget approved by the Commission for 2021 is reflected on the statements of operations and accumulated surplus and change in net debt.

#### Investment

Investments consist of guaranteed income certificates which are recorded at amortized cost.

#### Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed or donated tangible capital assets are recorded at their fair value at the date of receipt. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

<u>Asset</u>	<u>Useful Life</u>
Runways, taxiways and aprons	7 years
Buildings	20 years
Machinery and equipment	5 to 20 years
Infrastructure	20 years
Office equipment	5 years

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# Niagara Central Dorothy Rungeling Airport Commission

## Notes to the financial statements

December 31, 2021

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### 2. Summary of significant accounting policies (continued)

#### Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property 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.

#### Revenue recognition

Grants are recognized when approved to the extent the related expenses have been incurred and collection can be reasonably assured.

Rentals, fuel and other revenues are recorded when the services are performed or goods are delivered and collection is reasonably assured.

#### Reserves for future expenses

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

#### Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Commission may undertake in the future. Significant accounting estimates include accrued liabilities, useful lives of tangible capital assets and allowance for doubtful accounts. Actual results could differ from those estimates and may have an impact on future periods.

# Niagara Central Dorothy Rungeling Airport Commission

## Notes to the financial statements

December 31, 2021

<b>3. Grants</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
Operating		
City of Welland	\$ 86,671	\$ 86,671
City of Port Colborne	29,406	29,406
Town of Pelham	27,858	27,858
Township of Wainfleet	<u>10,835</u>	<u>10,835</u>
	<u><b>\$ 154,770</b></u>	<u><b>\$ 154,770</b></u>

<b>4. Accounts payable</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
Trade payables and accrued liabilities	\$ 29,247	\$ 42,599
Payable to City of Welland	-	14,158
Payable to City of Port Colborne	-	4,803
Payable to Town of Pelham	-	4,551
Payable to Township of Wainfleet	<u>1,129</u>	<u>1,770</u>
	<u><b>\$ 30,376</b></u>	<u><b>\$ 67,881</b></u>

<b>5. Loans payable</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
Due to the City of Welland, bearing interest of 4.3% per annum repayable in annual blended instalments of \$12,123 commencing June 15, 2019, due June 15, 2028.	<b>\$ 73,653</b>	\$ 82,513
Due to the City of Welland, bearing interest of 3.5% per annum repayable in annual blended instalments of \$16,533 commencing June 15, 2018, due June 15, 2027.	<b>89,779</b>	103,022
Due to the City of Port Colborne, bearing interest of 4.3% per annum repayable in annual blended instalments of \$4,113 commencing August 24, 2019, due August 24, 2028.	<b>24,788</b>	27,770
Due to the City of Port Colborne, bearing interest of 3.5% per annum repayable in annual blended instalments of \$6,012 commencing June 15, 2018, due June 15, 2027.	<b>32,647</b>	37,462
Due to the Town of Pelham, bearing interest of 4.3% per annum repayable in annual blended instalments of \$3,897 commencing June 15, 2019, due June 15, 2028.	<b>23,674</b>	26,522
Due to the Town of Pelham, bearing interest of 3.5% per annum repayable in annual blended instalments of \$5,411 commencing June 15, 2018, due June 15, 2027.	<b>29,382</b>	33,716

# Niagara Central Dorothy Rungeling Airport Commission

## Notes to the financial statements

December 31, 2021

<b>5. Loans payable (continued)</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Due to the Township of Wainfleet, bearing interest of 4.3% per annum repayable in annual blended instalments of \$1,515 commencing June 15, 2019, due June 15, 2028.	<b>9,207</b>	10,314
Due to the Township of Wainfleet, bearing interest of 3.5% per annum repayable in annual blended instalments of \$2,104 commencing June 15, 2018, due June 15, 2027.	<b>11,427</b>	13,112
Canada Emergency Business Account Loan.	<b><u>40,000</u></b>	<u>40,000</u>
	<b>334,557</b>	374,431
Amounts relating to interest expense	<b><u>5,870</u></b>	<u>6,657</u>
Balance, end of year	<b><u>\$ 328,687</u></b>	<b><u>\$ 367,774</u></b>

The Canada Emergency Business Account (“CEBA”) is a government assistance program implemented by eligible financial institutions in cooperation with Export Development Canada. The CEBA will provide interest free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced by the economic impact of the COVID-19 pandemic. If loan is not fully repaid at December 31, 2022, the loan will bear interest at 5% per annum and will become due December 31, 2025.

Principal repayments on loans payable consist of the following:

2022	\$ 80,577
2023	42,126
2024	43,735
2025	45,406
2026	47,142
2027 and thereafter	<u>69,701</u>
	<b><u>\$ 328,687</u></b>

<b>6. Investments</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Term deposit matured March 5, 2021.	-	29,947
Term deposit, matured March 24, 2021.	-	125,000
Term deposit maturing May 7, 2022, bearing interest at 0.45% per annum.	<b>30,630</b>	-
Term deposit, maturing February 13, 2022, bearing interest at 0.5% per annum.	<b><u>125,000</u></b>	<u>-</u>
	<b><u>\$ 155,630</u></b>	<b><u>\$ 154,947</u></b>

# Niagara Central Dorothy Rungeling Airport Commission

## Notes to the financial statements

December 31, 2021

7. Accumulated surplus	<u>2021</u>	<u>2020</u>
Consists of		
Operating deficit	\$ (55,462)	\$ (158,422)
Reserves (Note 8)	16,164	16,164
Investment in tangible capital assets	<u>1,388,570</u>	<u>1,436,096</u>
	<u>\$ 1,349,272</u>	<u>\$ 1,293,838</u>

8. Reserves	<u>2021</u>	<u>2020</u>
Reserves set aside for specific purposes		
Capital expenditures		
Balance, beginning of year	\$ 16,164	\$ 16,164
Funds used to acquire tangible assets	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 16,164</u>	<u>\$ 16,164</u>

### 9. Obligations under capital lease

The Commission has leased tractor equipment under a capital lease. The lease bears interest at 3.9% and is secured with the underlying equipment. Principal and interest payments due in the years ended December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Principal		
2021	\$ -	\$ 9,113
2022	9,112	9,113
2023	9,112	9,113
2024	9,112	9,113
2025	7,594	9,112
2026	-	-
Thereafter	<u>-</u>	<u>-</u>
	<u>34,930</u>	45,564
Imputed interest	<u>(2,303)</u>	<u>(5,483)</u>
Balance, end of year	<u>\$ 32,627</u>	<u>\$ 40,081</u>

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# Niagara Central Dorothy Rungeling Airport Commission

## Notes to the financial statements

December 31, 2021

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### 10. Related party transactions

The Commission is funded by the four nearby municipalities: City of Welland, City of Port Colborne, Town of Pelham and the Township of Wainfleet (Note 3). These four municipalities each have a non-controlling interest in the Commission.

Property taxes of \$46,262 (2020 - \$49,512) were paid to the Town of Pelham. All transactions are in the normal course of operations and are recorded at the exchange value.

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### 11. Contingency

The Commission has filed a lawsuit against three parties for damages arising from costs incurred by the Commission due to a collision between two aircraft owned and piloted by the defendants. Subsequent to year end on January 14, 2022, the claim was settled whereby the Commission expects to be able to receive payment of \$74,000 for damages claimed.

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## Niagara Central Dorothy Rungeling Airport Commission

### Schedule 1 – Schedule of Fuel Operations

Year ended December 31

2021

2020

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<b>Sales</b>	\$ <u>103,377</u>	\$ <u>77,930</u>
<b>Cost of sales</b>		
Inventory, beginning of year	15,659	25,685
Purchases	<u>99,530</u>	<u>62,948</u>
	<u>115,189</u>	<u>88,633</u>
Inventory, end of year	<u>23,912</u>	<u>15,659</u>
	<u>91,277</u>	<u>72,974</u>
<b>Net earnings</b>	\$ <u>12,100</u>	\$ <u>4,956</u>

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## Niagara Central Dorothy Rungeling Airport Commission

### Schedule 2 – Schedule of Tangible Assets

Year ended December 31, 2021

	Land	Railways taxiways and aprons	Buildings	Machinery and equipment	Infrastructure	Office equipment	2021	2020
<b>Cost</b>								
Beginning of year	\$ 1,048,950	\$ 2,016,508	\$ 553,873	\$ 143,179	\$ 133,251	\$ 2,459	\$ 3,898,220	\$ 3,841,662
Add: additions during the year	-	16,436	-	4,380	-	4,473	25,289	56,558
Less: credit received for runway	-	-	-	-	-	-	-	-
End of year	<u>1,048,950</u>	<u>2,032,944</u>	<u>553,873</u>	<u>147,559</u>	<u>133,251</u>	<u>6,932</u>	<u>3,923,509</u>	<u>3,898,220</u>
<b>Accumulated amortization</b>								
Beginning of year	-	1,812,462	429,886	57,317	119,919	2,459	2,422,043	2,348,799
Add: amortization for the year	-	54,646	9,984	13,378	1,813	447	80,269	73,244
End of year	-	<u>1,867,108</u>	<u>439,870</u>	<u>70,696</u>	<u>121,731</u>	<u>2,906</u>	<u>2,502,312</u>	<u>2,422,043</u>
<b>Net Book Value of Tangible Capital Assets</b>	<u>\$ 1,048,950</u>	<u>\$ 165,836</u>	<u>\$ 114,003</u>	<u>\$ 76,863</u>	<u>\$ 11,520</u>	<u>\$ 4,026</u>	<u>\$ 1,421,197</u>	<u>\$ 1,476,177</u>