



Financial Statements

Welland Recreational Canal Corporation

December 31, 2008

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Auditors' report

Grant Thornton LLP
Suite B
222 Catharine Street, PO Box 336
Port Colborne, ON
L3K 5W1

T (905) 834-3651
F (905) 834-5095
www.GrantThornton.ca

To the Directors of

Welland Recreational Canal Corporation

We have audited the statement of financial position of the Welland Recreation Canal Corporation as at December 31, 2008 and the statement of financial activities for the year then ended. These financial statements are the responsibility of the managements of the Welland Recreational Canal Corporation and the City of Welland. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Welland Recreation Canal Corporation as at December 31, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Port Colborne, Ontario
June 15, 2009

Grant Thornton LLP

Grant Thornton LLP
Chartered Accountants
Licensed Public Accountants

Welland Recreational Canal Corporation

Statement of Financial Activities

Year ended December 31	2008	2007
Revenue		
Donations	\$ 2,000	\$ 300
HRDC summer student grant	5,244	3,292
Investment income	634,793	656,808
Rentals	19,974	17,239
Special events	<u>45,565</u>	<u>2,295</u>
	<u>707,576</u>	<u>679,934</u>
Operating expenditures		
Administration fees	15,000	35,000
Administration	42,195	17,528
Advertising and promotion	14,424	17,104
Audit fees	4,000	4,800
Consultant fees	1,114	4,301
Equipment rental	8,489	4,803
Insurance	32,884	23,588
Management fees	77,500	70,962
Rental supplies	7,792	6,229
Repairs and maintenance	211,038	184,444
Security	13,330	23,418
Special events promotion	91,623	48,173
Utilities	13,153	12,313
Wages and benefits	104,871	108,000
Youth programs	<u>13,836</u>	<u> </u>
	651,249	560,663
Project and capital expenditures (Note 3)	<u>858,095</u>	<u>259,924</u>
	<u>1,509,344</u>	<u>820,587</u>
Net expenditures	(801,768)	(140,653)
Financing		
Debt principal repayments	<u> </u>	<u>(150,000)</u>
Change in fund balance	(801,768)	(290,653)
Fund balance		
Beginning of year	<u>15,768,015</u>	<u>16,058,668</u>
End of year	<u>\$ 14,966,247</u>	<u>\$ 15,768,015</u>

See accompanying notes to the financial statements

Welland Recreational Canal Corporation
Statement of Financial Position

As at December 31	2008	2007
Assets		
Current		
Cash	\$ 294,616	\$ 119,275
Accounts receivable	10,091	
Interest receivable	242,856	258,713
Due from City of Welland	41,825	
Long term investments (Note 4)	<u>14,376,859</u>	<u>15,549,283</u>
	<u>\$ 14,966,247</u>	<u>\$ 15,927,271</u>
Liabilities		
Payables and accruals		\$ 1,000
Due to City of Welland		158,256
Long term debt (Note 5)		<u>2,412,927</u>
		<u>2,572,183</u>
Fund position		
Fund balance	\$ 14,966,247	15,768,015
Liabilities to be recovered in future (Note 5)		<u>(2,412,927)</u>
	<u>14,966,247</u>	<u>13,355,088</u>
Total liabilities and fund position	<u>\$ 14,966,247</u>	<u>\$ 15,927,271</u>

On behalf of the Board

See accompanying notes to the financial statements

Welland Recreational Canal Corporation

Notes to the Financial Statements

December 31, 2008

1. Nature of operations

The corporation manages, administers, improves and develops the Welland Recreational Canal Lands. The Corporation of the City of Welland holds a reserve fund to fund the expenditures of the Welland Recreational Canal Corporation, and the cash and investments are restricted to this reserve fund.

2. Significant accounting policies

The financial statements of the Welland Recreational Canal Corporation are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Reporting entity

The financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the Welland Recreational Canal Corporation reserve fund held and administered by the City of Welland.

(b) Basis of accounting

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

(c) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that effect 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 expenditures during the reporting period. Actual results could differ from those estimates.

Welland Recreational Canal Corporation

Notes to the Financial Statements

December 31, 2008

3. Project and capital expenditures	<u>2008</u>	<u>2007</u>
Illuminaqua Master plan	\$ 140,177	\$ 125,827 18,630
Capital expenditures incurred		
Canal trail	46,507	98,000
Event assets - bleachers	186,784	
Feeder canal restoration	24,487	
Flat water course - improvements	139,624	
Flat water course – timing tower	84,781	
Performance stage	75,663	
Tables, benches, distance markers, etc.	40,744	17,467
Transfers to capital fund for future expenditures		
Feeder canal restoration	47,991	
Performance stage	64,337	
Scuba park	<u>7,000</u>	<u> </u>
	<u>\$ 858,095</u>	<u>\$ 259,924</u>

4. Long term investments

Long term investments consist of Provincial and Federal Government Bonds and bank notes issued by various chartered banks and are under the control and administration of the City of Welland.

The market value of the long term investments at December 31, 2008 was \$ 14,619,715 (2007 - \$ 15,861,704).

5. Long term debt

The long term debt of \$ 2,412,927 was assumed by the City of Welland in 2008.

6. Related party transactions

During the year, the City of Welland provided the Welland Recreational Canal Corporation with payroll services in the amount of \$ 104,871 (2007 - \$ 108,000) and administrative services in the amount of \$ 15,000 (2007 - \$ 35,000).

Welland Recreational Canal Corporation
Notes to the Financial Statements

December 31, 2008

7. Statement of cash flows

A statement of cash flows has not been presented as management believes it would not provide additional meaningful information. Information about operations, financing and investments are readily apparent from the financial statements.

8. Comparative figures

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