

**The Corporation of the  
Township of Puslinch  
Financial Statements  
For the year ended December 31, 2017**

**The Corporation of the Township of Puslinch**  
**Financial Statements**  
**For the year ended December 31, 2017**

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**The Corporation of the Township of Puslinch**

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BDO Canada LLP  
77 Broadway  
Orangeville ON L9W 1K1 Canada

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## Independent Auditor's Report

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### To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Puslinch

We have audited the accompanying financial statements of the Corporation of the Township of Puslinch, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Puslinch as at December 31, 2017 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

March 21, 2018  
Orangeville, Ontario

**The Corporation of the Township of Puslinch**  
**Statement of Financial Position**

<b>December 31</b>	<b>2017</b>	<b>2016</b>
<b>Assets and Liabilities</b>		
<b>Financial assets</b>		
Cash (Note 1)	\$ 5,400,631	\$ 6,833,145
Temporary investments (Note 2)	1,030,857	26,389
Taxes receivable	1,052,424	293,240
Trade and other receivable	239,778	187,927
	<u>7,723,690</u>	<u>7,340,701</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	412,083	482,879
Grading deposits	80,000	97,640
Security deposits	2,009,972	1,973,922
Post-employment benefits (Note 5)	96,000	90,500
Deferred revenue (Page 24)	905,851	854,549
Long-term liabilities (Note 6)	119,000	235,000
	<u>3,622,906</u>	<u>3,734,490</u>
<b>Net financial assets</b>	<b>4,100,784</b>	<b>3,606,211</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 3)	18,683,555	19,011,915
<b>Accumulated surplus (Note 8)</b>	<b>\$22,784,339</b>	<b>\$ 22,618,126</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Corporation of the Township of Puslinch**  
**Statement of Operations and Accumulated Surplus**

<b>For the year ended December 31</b>	2017	2017	2016
	Budget (Note 11)	Actual	Actual
<b>Revenue</b>			
Taxation	\$ 3,722,030	\$ 3,844,485	\$ 3,684,910
Fees and user charges	405,073	407,377	612,799
Grants (Note 12)	551,197	546,077	467,077
Other income (Note 10)	905,057	1,196,214	1,002,402
Obligatory reserve fund revenue recognized	466,468	443,117	377,220
	<b>6,049,825</b>	<b>6,437,270</b>	<b>6,144,408</b>
<b>Expenses</b>			
General government	1,327,615	1,288,522	1,100,898
Protection services	1,221,360	1,255,841	1,188,198
Transportation services	2,636,783	2,651,356	2,764,183
Recreation and cultural services	497,074	470,384	541,779
Planning and development	606,257	604,954	597,075
	<b>6,289,089</b>	<b>6,271,057</b>	<b>6,192,133</b>
<b>Annual surplus (deficit) (Note 11)</b>	<b>(239,264)</b>	<b>166,213</b>	<b>(47,725)</b>
<b>Accumulated surplus, beginning of year</b>	<b>22,618,126</b>	<b>22,618,126</b>	<b>22,665,851</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 22,378,862</b>	<b>\$22,784,339</b>	<b>\$ 22,618,126</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Corporation of the Township of Puslinch**  
**Statement of Changes in Net Financial Assets**

<b>For the year ended December 31</b>	2017	2017	2016
	Budget (Note 11)	Actual	Actual
<b>Annual surplus (deficit) (Page 5)</b>	\$ (239,264)	<b>\$ 166,213</b>	\$ (47,725)
Acquisition of tangible capital assets	(1,522,369)	<b>(1,387,243)</b>	(1,314,032)
Amortization of tangible capital assets	1,603,570	<b>1,603,570</b>	1,585,935
Loss on sale of tangible capital assets	-	<b>78,924</b>	104,944
Proceeds on disposal of tangible capital assets	-	<b>33,109</b>	-
Write-downs of tangible capital assets	-	-	10,924
	<u>81,201</u>	<u><b>328,360</b></u>	<u>387,771</u>
<b>Increase (decrease) in net financial assets</b>	(158,063)	<b>494,573</b>	340,046
<b>Net financial assets, beginning of the year</b>	<u>3,606,211</u>	<u><b>3,606,211</b></u>	<u>3,266,165</u>
<b>Net financial assets, end of the year</b>	<u>\$ 3,448,148</u>	<u><b>\$ 4,100,784</b></u>	<u>\$ 3,606,211</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Corporation of the Township of Puslinch**  
**Statement of Cash Flows**

For the year ended December 31	2017	2016
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	\$ 166,213	\$ (47,725)
Items not involving cash		
Change in post-employment benefits	5,500	2,200
Amortization of tangible capital assets	1,603,570	1,585,935
Write-down of tangible capital assets	-	10,924
Deferred revenue recognized	(546,669)	(428,057)
Loss on sale of tangible capital assets	78,924	104,944
	<b>1,307,538</b>	<b>1,228,221</b>
 Changes in non-cash working capital balances		
Taxes receivable	(759,184)	439,086
Trade and other receivable	(51,851)	61,566
Accounts payable and accrued liabilities	(70,796)	102,748
Grading deposits	(17,640)	(37,268)
Security deposits	36,050	356,505
Deferred revenue received	597,971	650,326
	<b>(265,450)</b>	<b>1,572,963</b>
	<b>1,042,088</b>	<b>2,801,184</b>
 <b>Capital transactions</b>		
Cash used to acquire tangible capital assets	(1,387,243)	(1,314,032)
Proceeds on sale of tangible capital assets	33,109	-
	<b>(1,354,134)</b>	<b>(1,314,032)</b>
 <b>Financing activities</b>		
Repayment of long-term liabilities	(116,000)	(110,000)
	<b>(116,000)</b>	<b>(110,000)</b>
<b>Net change in cash and cash equivalents</b>	<b>(428,046)</b>	<b>1,377,152</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>6,859,534</b>	<b>5,482,382</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,431,488</b>	<b>\$ 6,859,534</b>
 <b>Cash and cash equivalents are comprised of:</b>		
Cash	\$ 5,400,631	\$ 6,833,145
Temporary investments	1,030,857	26,389
	<b>\$ 6,431,488</b>	<b>\$ 6,859,534</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



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## The Corporation of the Township of Puslinch Summary of Significant Accounting Policies

December 31, 2017

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### **Management Responsibility**

The financial statements of the Corporation of the Township of Puslinch are the representations of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants as prescribed by the Ministry of Municipal Affairs and Housing.

### **Basis of Accounting**

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

### **Use of Estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

### **Post-Employment Benefits**

The contributions to the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer defined benefit plan are expensed when contributions are due.

The municipality provides post-employment health, dental and life insurance benefits to eligible retired employees. The benefits earned by employees are determined using management's best estimate of expected benefit costs and are expensed as services are rendered.

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## The Corporation of the Township of Puslinch Summary of Significant Accounting Policies

December 31, 2017

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**Taxation and Related Revenue** Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Township Council, incorporating amounts to be raised for local services. 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 assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings. Taxation revenue are recognized as revenue when the amounts are levied on the municipality's ratepayers.

Assessments and the related property taxes are subject to appeal. Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Taxes receivable are recognized net of allowance for anticipated uncollectable amounts.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

### Revenue Recognition

Grading fees are recognized when they are received.

All other fees and user charges are recognized when the related service is provided.

Other income is recorded upon sale of goods or provision of service when collection is reasonably assured.

Investment income earned on surplus funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is recorded directly to each fund balance.

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, and eligibility criteria have been met and reasonable estimates of the amounts can be made.

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## The Corporation of the Township of Puslinch Summary of Significant Accounting Policies

December 31, 2017

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<b>Deferred Revenue</b>	Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the statement of financial position. The revenue is reported on the statement of operations in the year in which it is used for the specified purpose.										
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents include all cash balances and short term highly liquid investments that are readily convertible into cash.										
<b>County and School Board</b>	The municipality collects taxation revenue on behalf of the school boards and the County of Wellington. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Wellington are not reflected in these financial statements.										
<b>Non-financial Assets</b>	Tangible capital and other non-financial assets are accounted for as assets by the municipality because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the municipality unless they are sold.										
<b>Tangible Capital Assets</b>	<p>Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets, using the straight-line method. The useful life of the assets is based on estimates made by Council. The following rates are used:</p> <table><tr><td>Buildings</td><td>40 years</td></tr><tr><td>Furniture and equipment</td><td>5 to 20 years</td></tr><tr><td>Roads</td><td>10 to 50 years</td></tr><tr><td>Bridges and structures</td><td>20 to 50 years</td></tr><tr><td>Vehicles</td><td>7 to 15 years</td></tr></table> <p>Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.</p>	Buildings	40 years	Furniture and equipment	5 to 20 years	Roads	10 to 50 years	Bridges and structures	20 to 50 years	Vehicles	7 to 15 years
Buildings	40 years										
Furniture and equipment	5 to 20 years										
Roads	10 to 50 years										
Bridges and structures	20 to 50 years										
Vehicles	7 to 15 years										
<b>Intangible Assets</b>	Intangible assets, art and historic treasures, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in these financial statements.										

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**The Corporation of the Township of Puslinch**  
**Notes to Financial Statements**

**December 31, 2017**

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**1. Cash**

	<u>2017</u>	<u>2016</u>
Unrestricted	\$ 4,147,542	\$ 5,704,928
Restricted	1,253,089	1,128,217
	<u>\$ 5,400,631</u>	<u>\$ 6,833,145</u>

The municipality has internally and externally restricted funds that are segregated and will be used only for specific purposes.

The municipality's bank accounts are all held at one financial institution.

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**2. Temporary Investments**

	<u>2017</u>	<u>2016</u>
Term Deposit, 1.15%, matures March 26, 2018 (2016 - March 28, 2017)	\$ 26,616	\$ 26,389
Redeemable GIC, 1.8%, matures October 11, 2018	1,004,241	-
	<u>\$ 1,030,857</u>	<u>\$ 26,389</u>

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**The Corporation of the Township of Puslinch**  
Notes to Financial Statements

**December 31, 2017**

**3. Tangible Capital Assets**

	<b>2017</b>							
	<b>Land</b>	<b>Buildings</b>	<b>Furniture and equipment</b>	<b>Roads</b>	<b>Bridges and structures</b>	<b>Vehicles</b>	<b>Assets under construction</b>	<b>Total</b>
Cost, beginning of year	\$ 1,242,200	\$ 4,504,525	\$ 1,078,671	\$ 37,043,812	\$ 6,768,272	\$ 3,340,473	\$ -	\$ 53,977,953
Additions	-	118,238	147,195	1,044,176	-	76,690	944	1,387,243
Disposals	-	-	(20,445)	(1,224,502)	-	(205,147)	-	(1,450,094)
Cost, end of year	1,242,200	4,622,763	1,205,421	36,863,486	6,768,272	3,212,016	944	53,915,102
Accumulated amortization, beginning of year	-	1,449,779	903,310	28,249,503	2,466,997	1,896,449	-	34,966,038
Amortization	-	111,927	81,450	1,070,971	155,917	183,305	-	1,603,570
Disposals	-	-	(20,445)	(1,132,476)	-	(185,140)	-	(1,338,061)
Accumulated amortization, end of year	-	1,561,706	964,315	28,187,998	2,622,914	1,894,614	-	35,231,547
Net carrying amount, end of year	\$ 1,242,200	\$ 3,061,057	\$ 241,106	\$ 8,675,488	\$ 4,145,358	\$ 1,317,402	\$ 944	\$ 18,683,555

**The Corporation of the Township of Puslinch**  
**Notes to Financial Statements**

**December 31, 2017**

**3. Tangible Capital Assets - (continued)**

	2016							
	Land	Buildings	Furniture and equipment	Roads	Bridges and structures	Vehicles	Assets under construction	Total
Cost, beginning of year	\$ 1,229,008	\$ 4,376,940	\$ 1,113,504	\$ 37,354,569	\$ 6,768,272	\$ 3,069,860	\$ 86,203	\$ 53,998,356
Additions	13,192	127,585	8,115	894,527	-	270,613	-	1,314,032
Disposals	-	-	(42,948)	(1,280,638)	-	-	-	(1,323,586)
Transferred from assets under construction	-	-	-	75,354	-	-	(75,354)	-
Write down	-	-	-	-	-	-	(10,849)	(10,849)
Cost, end of year	1,242,200	4,504,525	1,078,671	37,043,812	6,768,272	3,340,473	-	53,977,953
Accumulated amortization, beginning of year	-	1,340,628	914,978	28,335,094	2,310,640	1,697,330	-	34,598,670
Amortization	-	109,151	31,280	1,090,028	156,357	199,119	-	1,585,935
Disposals	-	-	(42,948)	(1,175,619)	-	-	-	(1,218,567)
Accumulated amortization, end of year	-	1,449,779	903,310	28,249,503	2,466,997	1,896,449	-	34,966,038
Net carrying amount, end of year	\$ 1,242,200	\$ 3,054,746	\$ 175,361	\$ 8,794,309	\$ 4,301,275	\$ 1,444,024	\$ -	\$ 19,011,915

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**The Corporation of the Township of Puslinch**  
**Notes to Financial Statements**

**December 31, 2017**

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**4. Bank Indebtedness**

The Township has undrawn credit of \$1,500,000 for operating. Interest is calculated at the bank's prime rate. This facility is secured by a current borrowing by-law.

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**5. Post-Employment Benefits**

The Township of Puslinch sponsors a defined benefit plan for retirement benefits other than pensions to any full-time employees with ten or more continuous years of service. The plan provides extended health care, dental and life insurance benefits to employees to a maximum of age 65. Total benefit payments paid by the Township on behalf of retirees during the year were \$9,200 (2016 - \$9,600). The employee benefits liabilities as at December 31 are \$96,000 (2016 - \$90,500).

The Township has not made allocations to fund these liabilities at this time and future expenditures are anticipated to be recovered from tax billings.

The total expenses related to retirement benefits other than pensions include the following components:

	<u>2017</u>	<u>2016</u>
Current period benefit cost	\$ 11,400	\$ 8,700
Retirement benefit interest	<u>3,300</u>	<u>3,100</u>
	<u>\$ 14,700</u>	<u>\$ 11,800</u>

The actuarial valuations were based on a number of assumptions about future events such as inflation rates, interest rates, medical inflation rates, wage and salary increases and employee turnover and mortality. The most recent actuarial valuations were performed in 2016. The assumptions used reflect the Township's best estimates.

Discount rate	3.4% per year
Dental premium rates	6% in 2016 to 4% over 8 years
Health care premium rates	7.16% in 2016 to 4% over 20 years
Future salaries	Escalate at 2.5% per year
Future inflation rate	2.5% per year

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**The Corporation of the Township of Puslinch**  
**Notes to Financial Statements**

**December 31, 2017**

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**6. Long-term Liabilities**

The balance of long-term liabilities reported on the statement of financial position is made up of the following:

	<u>2017</u>	<u>2016</u>
Debenture payable, County of Wellington, variable interest at 3.85% to 5.00%, repayable in variable annual installments (2017 - \$116,000, 2016 - \$110,000), due July 2018.	<u>\$ 119,000</u>	<u>\$ 235,000</u>

Principal payments for the next fiscal year is as follows:

2018	\$ 119,000
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## The Corporation of the Township of Puslinch Notes to Financial Statements

**December 31, 2017**

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### 7. Pension Agreements

The municipality makes contributions to OMERS, which is a multi-employer plan, on behalf of 16 members of its staff. This plan is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The employer amount contributed to OMERS for 2017 by the Township of Puslinch was \$111,448 (2016 - \$116,783). The contribution rate for 2017 was 9.0% to 15.9% depending on age and income level (2016 - 9.0% to 15.9%).

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2016. At that time the plan reported a \$5.7 billion actuarial deficit (2015 - \$7.0 billion actuarial deficit), based on actuarial liabilities of \$87.0 billion (2015 - \$81.9 billion) and actuarial assets of \$81.2 billion (2015 - \$74.9 billion). Ongoing adequacy of the current contribution rates will need to be monitored as fluctuations in the financial markets may lead to increased future funding requirements.

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### 8. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2017	2016
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$ 18,683,555	\$ 19,011,915
Capital assets financed by long-term liabilities and to be funded in future years	(119,000)	(235,000)
Total invested in capital assets	18,564,555	18,776,915
Unfunded post-employment benefits	(96,000)	(90,500)
General surplus (Note 11)	404,081	429,858
Barber's Beach street lighting area	931	1,288
Cambridge fire area	2,979	1,320
	18,876,546	19,118,881
Reserves and reserve funds (Note 9)	3,907,793	3,499,245
Accumulated surplus	\$ 22,784,339	\$ 22,618,126

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**The Corporation of the Township of Puslinch**  
Notes to Financial Statements

**December 31, 2017**

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**9. Reserves and Reserve Funds Set Aside for Specific Purpose by Council**

	<b>2017</b>	<b>2016</b>
<b>Reserves</b>		
Working funds	\$ 95,581	\$ 222,810
Contingencies	104,089	119,089
Current purposes	565,198	481,420
Capital purposes	3,142,925	2,675,926
 <b>Reserves and reserve funds set aside for specific purpose by Council</b>	 <b>\$ 3,907,793</b>	 <b>\$ 3,499,245</b>

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**10. Other Income**

	2017	2017	2016
	Budget	Actual	Actual
Penalties and interest on taxation	\$ 180,000	\$ 175,272	\$ 171,185
Investment income	87,000	67,707	61,488
Licenses, permits and rents	384,212	621,897	488,896
Donations	-	400	-
Provincial aggregates levy	222,358	275,293	238,854
Other	31,487	55,645	41,979
	<b>\$ 905,057</b>	<b>\$ 1,196,214</b>	<b>\$ 1,002,402</b>

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**The Corporation of the Township of Puslinch**  
**Notes to Financial Statements**

**December 31, 2017**

**11. Budgets**

The budget adopted by Council was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The following is a reconciliation of the budget approved by Council.

For comparative purposes, budget amounts reported on the Statement of Operations and Accumulated Surplus have been adjusted for amortization, loss on sale of tangible capital assets and special area levies.

	2017 Budget	2017 Actual	2016 Actual
Annual surplus (deficit) (Page 5)	\$ (239,264)	\$ 166,213	\$ (47,725)
Amortization of tangible capital assets	1,603,570	1,603,570	1,585,935
Change in unfunded liabilities	-	5,500	2,200
Change in other surpluses	-	(1,302)	(692)
Net transfers (to) from reserves	1,364,306	1,773,981	1,539,718
Tangible capital assets acquisitions, disposals and write-down	274,064	(408,548)	(41,366)
Debt principal repayments	(1,522,370)	(1,275,210)	(1,198,164)
	(116,000)	(116,000)	(110,000)
Prior year general surplus	-	(25,777)	190,188
	-	429,858	239,670
General surplus (Note 8)	\$ -	\$ 404,081	\$ 429,858

**The Corporation of the Township of Puslinch**  
Notes to Financial Statements

**December 31, 2017**

**12. Grants**

	2017 Budget	2017 <b>Actual</b>	2016 Actual
<b>Operating</b>			
Province of Ontario			
Ontario Municipal Partnership			
Fund (OMPF)	\$ 370,200	\$ 370,200	\$ 405,400
- Transportation	75,822	75,822	42,878
- Protection	17,260	-	-
Unconditional - Recreation and cultural	5,167	6,253	5,167
- Protection	1,500	3,861	605
	<b>469,949</b>	<b>456,136</b>	454,050
Government of Canada			
Conditional - General government	56,248	54,941	6,431
Other Municipalities			
Unconditional - Recreation and cultural	25,000	35,000	6,596
<b>Total grants</b>	<b>\$ 551,197</b>	<b>\$ 546,077</b>	<b>\$ 467,077</b>

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**The Corporation of the Township of Puslinch**  
**Notes to Financial Statements**

**December 31, 2017**

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**13. Operations of School Boards and the County of Wellington**

During the year, the following taxation revenue was raised and remitted to the school boards and the County of Wellington:

	<u>2017</u>	<u>2016</u>
School boards	\$ 5,840,750	\$ 6,254,463
County of Wellington	<u>13,435,082</u>	<u>13,473,419</u>
	<u>\$19,275,832</u>	<u>\$ 19,727,882</u>

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**14. Commitments**

The Township is in an agreement for fire services totaling \$137,800 annually from January 1, 2018 to December 31, 2018.

The Township is in an agreement for information technology services totaling \$28,006 annually from January 1, 2018 to December 31, 2018.

The Township has committed to spend approximately \$316,644 on capital projects in 2018 and beyond on various recreation, general government and transportation capital projects.

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**15. Contingent Liabilities**

The Township has been served with various claims as a result of accidents and other incidents. The Township is not aware of any possible settlements in excess of its liability insurance coverage. The outcomes of these claims are not determinable at this time. Should any liability be determined and not covered by insurance, it will be recognized in the period when determined.

During the year, it came to the Township's attention that there is a requirement to offer Township employees classified by OMERS as an "other than continuous full-time employee", voluntary enrolment in the OMERS Pension Plan. Management is working with their solicitor and representatives from OMERS to determine the participation date for those affected employees and to ensure that notification obligations for voluntary enrolment under the OMERS Pension Plan are met.

The amount of the financial impact is not determinable at this time. The liability will be recognized in the period when determined.

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## The Corporation of the Township of Puslinch

### Notes to Financial Statements

December 31, 2017

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#### 16. Segmented Information

The Township of Puslinch is a diversified municipal government institution that provides a wide range of services to its citizens such as recreational and cultural services, planning and development, fire, and transportation services. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

##### General Government

This item relates to the general operations of the municipality itself and cannot be directly attributed to a specific segment.

##### Protection to Persons and Property

Protection is comprised of fire protection, and bylaw enforcement. The fire department is responsible for providing fire suppression services, fire prevention programs, training and education. The by-law enforcement department works to ensure that citizens and their property are protected by ensuring the Township's bylaws are being adhered to. This department also includes services related to source water protection and other transfers made to the Grand River Conservation Authority, Conservation Halton and Hamilton Conservation Authority.

##### Transportation

Transportation is responsible for providing the municipality with road maintenance, winter control services, street light maintenance, parking lots and equipment maintenance.

##### Recreational and Cultural Services

This service area provides public services that contribute to the provision of recreation and leisure services and the maintenance of parks and open space.

##### Planning and Development

This department provides a number of services including Township planning, maintenance and enforcement of building and construction codes and review of all property development plans through its application process.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

<b>Taxation and payments-in-lieu</b>	Allocated to those segments that are funded by these amounts based on the net surplus for the year
<b>Ontario Municipal Partnership Fund Grants</b>	Allocated to segments based on the net surplus for the year
<b>Provincial Aggregate Levy</b>	Allocated to segments based on the net surplus for the year

**The Corporation of the Township of Puslinch**  
**Notes to Financial Statements**

**December 31, 2017**

**16. Segmented Information (continued)**

<b>For the year ended December 31</b>	<b>General Government</b>	<b>Protection Services</b>	<b>Transportation Services</b>	<b>Recreational and Cultural Services</b>	<b>Planning and Development</b>	<b>2017 Total</b>
<b>Revenue</b>						
Taxation	\$ 807,345	\$ 884,231	\$ 1,960,685	\$ 230,669	\$ -	\$ 3,844,485
Fees and user charges	3,376	150,909	-	134,652	118,440	407,377
Specific grants	110,822	3,861	-	61,194	-	175,877
OMPF grant	77,742	85,146	188,802	22,212	-	370,200
Provincial aggregate levy	57,812	63,317	140,399	16,518	-	275,293
Other revenue	274,135	30,221	4,699	22,920	588,946	920,921
Obligatory reserve fund revenue recognized	5,654	22,212	409,980	5,271	-	443,117
	<u>1,336,886</u>	<u>1,239,897</u>	<u>2,704,565</u>	<u>493,436</u>	<u>707,386</u>	<u>6,437,270</u>
<b>Expenses</b>						
Salaries and benefits	836,256	500,522	533,778	175,988	244,847	2,291,391
Interest on debt	8,792	-	-	-	-	8,792
Materials and supplies	193,185	326,814	517,173	154,772	68,753	1,260,697
Contracted services	180,248	109,218	183,841	31,444	291,354	796,105
Other transfers	32,475	167,707	-	-	-	200,182
Rents and financial expenses	8,354	639	-	4,902	-	13,895
Amortization	29,212	150,941	1,320,140	103,278	-	1,603,571
Loss on sale of tangible capital assets	-	-	96,424	-	-	96,424
	<u>1,288,522</u>	<u>1,255,841</u>	<u>2,651,356</u>	<u>470,384</u>	<u>604,954</u>	<u>6,271,057</u>
<b>Annual surplus (deficit)</b>	<b>\$ 48,364</b>	<b>\$ (15,944)</b>	<b>\$ 53,209</b>	<b>\$ 23,052</b>	<b>\$ 102,432</b>	<b>\$ 166,213</b>

**The Corporation of the Township of Puslinch**  
**Notes to Financial Statements**

**December 31, 2017**

**16. Segmented Information (continued)**

<b>For the year ended December 31</b>	<b>General Government</b>	<b>Protection Services</b>	<b>Transportation Services</b>	<b>Recreational and Cultural Services</b>	<b>Planning and Development</b>	<b>2016 Total</b>
<b>Revenue</b>						
Taxation	\$ 626,435	\$ 700,133	\$ 2,063,549	\$ 294,793	\$ -	\$ 3,684,910
Fees and user charges	1,882	193,095	-	167,837	249,985	612,799
Specific grants	49,474	605	-	11,598	-	61,677
OMPF grant	68,918	77,026	227,024	32,432	-	405,400
Provincial aggregate levy	40,605	45,382	133,758	19,109	-	238,854
Other revenue	259,451	32,647	7,812	4,489	459,149	763,548
Obligatory reserve fund revenue recognized	11,557	67,653	291,414	6,596	-	377,220
	<b>1,058,322</b>	<b>1,116,541</b>	<b>2,723,557</b>	<b>536,854</b>	<b>709,134</b>	<b>6,144,408</b>
<b>Expenses</b>						
Salaries and benefits	721,457	503,805	525,499	213,493	328,285	2,292,539
Interest on debt	14,274	-	-	-	-	14,274
Materials and supplies	142,320	335,460	527,129	182,624	59,181	1,246,714
Contracted services	150,762	82,864	252,893	37,736	209,609	733,864
Other transfers	32,475	159,877	-	2,000	-	194,352
Rents and financial expenses	14,022	603	-	4,886	-	19,511
Amortization	25,588	105,589	1,353,718	101,040	-	1,585,935
Gain on sale of tangible capital assets	-	-	104,944	-	-	104,944
	<b>1,100,898</b>	<b>1,188,198</b>	<b>2,764,183</b>	<b>541,779</b>	<b>597,075</b>	<b>6,192,133</b>
<b>Annual surplus (deficit)</b>	<b>\$ (42,576)</b>	<b>\$ (71,657)</b>	<b>\$ (40,626)</b>	<b>\$ (4,925)</b>	<b>\$ 112,059</b>	<b>\$ (47,725)</b>



**The Corporation of the Township of Puslinch**  
**Schedule of Deferred Revenue**

**For the year ended December 31, 2017**

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
<b>Obligatory Reserve Funds</b>					
Development charges	\$ 362,149	\$ 265,880	\$ 5,527	\$ (137,846)	\$ 495,710
Federal gas tax	93,416	217,487	676	(300,000)	11,579
Recreational land	269,699	9,000	3,522	(5,271)	276,950
Perpetual maintenance	25,733	-	-	-	25,733
	750,997	492,367	9,725	(443,117)	809,972
<b>Other</b>					
Recreation	17,704	45,197	-	(17,704)	45,197
Building permits	85,848	50,682	-	(85,848)	50,682
	\$ 854,549	\$ 588,246	\$ 9,725	\$ (546,669)	\$ 905,851