

**The Corporation of the
Township of Puslinch
Financial Statements
For the year ended December 31, 2018**

**The Corporation of the Township of Puslinch
Financial Statements
For the year ended December 31, 2018**

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of The Corporation of the Township of Puslinch (the Township), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Township as at December 31, 2018, and its results of operations, its change in 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 Township 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 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 Township'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 Township or to cease operations, or has no realistic alternative but to do so.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

March 20, 2019
Orangeville, Ontario

The Corporation of the Township of Puslinch
Statement of Financial Position

December 31	2018	2017
Assets and Liabilities		
Financial assets		
Cash (Note 1)	\$ 3,267,076	\$ 5,400,631
Temporary investments (Note 2)	2,541,771	1,030,857
Taxes receivable	1,214,647	1,052,424
Trade and other receivable	383,014	239,778
	<u>7,406,508</u>	<u>7,723,690</u>
Liabilities		
Accounts payable and accrued liabilities	550,659	412,083
Grading deposits	63,500	80,000
Security deposits	1,271,414	2,009,972
Post-employment benefits (Note 5)	104,900	96,000
Deferred revenue (Page 24)	1,096,190	905,851
Long-term liabilities (Note 6)	-	119,000
	<u>3,086,663</u>	<u>3,622,906</u>
Net financial assets	4,319,845	4,100,784
Non-financial assets		
Tangible capital assets (Note 3)	<u>18,752,395</u>	<u>18,683,555</u>
Accumulated surplus (Note 8)	\$ 23,072,240	\$ 22,784,339

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

For the year ended December 31	2018	2018	2017
	Budget (Note 11)	Actual	Actual
Revenue			
Taxation	\$ 3,909,556	\$ 4,046,025	\$ 3,844,485
Fees and user charges	316,201	407,248	407,377
Grants (Note 12)	895,845	929,948	846,077
Other income (Note 10)	1,170,856	1,396,380	1,339,331
	<u>6,292,458</u>	<u>6,779,601</u>	<u>6,437,270</u>
Expenses			
General government	1,376,331	1,472,572	1,288,522
Protection services	1,249,325	1,235,754	1,255,841
Transportation services	2,447,396	2,564,352	2,651,356
Recreation and cultural services	530,960	506,009	470,384
Planning and development	717,968	713,013	604,954
	<u>6,321,980</u>	<u>6,491,700</u>	<u>6,271,057</u>
Annual surplus (deficit) (Note 11)	(29,522)	287,901	166,213
Accumulated surplus, beginning of year	<u>22,784,339</u>	<u>22,784,339</u>	<u>22,618,126</u>
Accumulated surplus, end of year	<u>\$ 22,754,817</u>	<u>\$ 23,072,240</u>	<u>\$ 22,784,339</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 Changes in Net Financial Assets

For the year ended December 31	2018	2018	2017
	Budget (Note 11)	Actual	Actual
Annual surplus (deficit) (Page 5)	\$ (29,522)	\$ 287,901	\$ 166,213
Acquisition of tangible capital assets	(1,597,575)	(1,559,733)	(1,387,243)
Amortization of tangible capital assets	1,452,552	1,452,552	1,603,570
Loss on sale of tangible capital assets	-	33,187	78,924
Proceeds on disposal of tangible capital assets	-	5,154	33,109
	(145,023)	(68,840)	328,360
Increase (decrease) in net financial assets	(174,545)	219,061	494,573
Net financial assets, beginning of the year	4,100,784	4,100,784	3,606,211
Net financial assets, end of the year	\$ 3,926,239	\$ 4,319,845	\$ 4,100,784

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	2018	2017
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 287,901	\$ 166,213
Items not involving cash		
Change in post-employment benefits	8,900	5,500
Amortization of tangible capital assets	1,452,552	1,603,570
Deferred revenue recognized	(526,335)	(546,669)
Loss on sale of tangible capital assets	33,187	78,924
	<u>1,256,205</u>	<u>1,307,538</u>
Changes in non-cash working capital balances		
Taxes receivable	(162,223)	(759,184)
Trade and other receivable	(143,236)	(51,851)
Accounts payable and accrued liabilities	138,576	(70,796)
Grading deposits	(16,500)	(17,640)
Security deposits	(738,558)	36,050
Deferred revenue received	716,674	597,971
	<u>(205,267)</u>	<u>(265,450)</u>
	<u>1,050,938</u>	<u>1,042,088</u>
Capital transactions		
Cash used to acquire tangible capital assets	(1,559,733)	(1,387,243)
Proceeds on sale of tangible capital assets	5,154	33,109
	<u>(1,554,579)</u>	<u>(1,354,134)</u>
Financing activities		
Repayment of long-term liabilities	(119,000)	(116,000)
Net change in cash and cash equivalents	(622,641)	(428,046)
Cash and cash equivalents, beginning of year	6,431,488	6,859,534
Cash and cash equivalents, end of year	\$ 5,808,847	\$ 6,431,488
Cash and cash equivalents are comprised of:		
Cash	\$ 3,267,076	\$ 5,400,631
Temporary investments	2,541,771	1,030,857
	<u>\$ 5,808,847</u>	<u>\$ 6,431,488</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

Summary of Significant Accounting Policies

December 31, 2018

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.

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

December 31, 2018

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.

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

December 31, 2018

Deferred Revenue	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.										
Cash and Cash Equivalents	Cash and cash equivalents include all cash balances and short term highly liquid investments that are readily convertible into cash.										
County and School Board	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.										
Non-financial Assets	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.										
Tangible Capital Assets	<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 style="text-align: right;">40 years</td></tr><tr><td>Furniture and equipment</td><td style="text-align: right;">5 to 20 years</td></tr><tr><td>Roads</td><td style="text-align: right;">10 to 50 years</td></tr><tr><td>Bridges and structures</td><td style="text-align: right;">20 to 50 years</td></tr><tr><td>Vehicles</td><td style="text-align: right;">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										
Intangible Assets	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.										

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2018

1. Cash

	2018	2017
Unrestricted	\$ 2,342,836	\$ 4,147,542
Restricted	924,240	1,253,089
	\$ 3,267,076	\$ 5,400,631

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.

2. Temporary Investments

	2018	2017
Unrestricted		
Term Deposit, 1.15%, matures March 26, 2018	\$ -	\$ 26,616
Redeemable GIC, 1.8%, matures October 11, 2018	-	1,004,241
Redeemable GIC, 2.47%, matures March 13, 2019	\$ 1,019,828	-
Redeemable GIC, 2.60%, matures July 17, 2019	\$ 1,011,908	-
Restricted		
Redeemable GIC, 2.45%, matures March 7, 2019	\$ 510,035	-
	\$ 2,541,771	\$ 1,030,857

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2018

3. Tangible Capital Assets

	2018							
	Land	Buildings	Furniture and equipment	Roads	Bridges and structures	Vehicles	Assets under construction	Total
Cost, beginning of year	\$ 1,242,200	\$ 4,622,763	\$ 1,205,421	\$ 36,863,486	\$ 6,768,272	\$ 3,212,016	\$ 944	\$ 53,915,102
Additions	44,584	89,517	37,446	522,564	184,385	27,514	653,723	1,559,733
Disposals	(31,537)	(53,991)	(960)	(805,979)	(335,876)	(58,642)	-	(1,286,985)
Transfers		(15,061)		(560,457)	575,518			
Cost, end of year	1,255,247	4,643,228	1,241,907	36,019,614	7,192,299	3,180,888	654,667	54,187,850
Accumulated amortization, beginning of year	-	1,561,706	964,315	28,187,998	2,622,914	1,894,614	-	35,231,547
Amortization	-	114,214	51,537	995,176	106,749	184,876	-	1,452,552
Disposals	-	(48,343)	(768)	(805,015)	(335,876)	(58,642)	-	(1,248,644)
Transfers	-	(375)	-	(170,582)	170,957	-	-	-
Accumulated amortization, end of year	-	1,627,202	1,015,084	28,207,577	2,564,744	2,020,848	-	35,435,455
Net carrying amount, end of year	\$ 1,255,247	\$ 3,016,026	\$ 226,823	\$ 7,812,037	\$ 4,627,555	\$ 1,160,040	\$ 654,667	\$ 18,752,395

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2018

3. Tangible Capital Assets - (continued)

	2017							
	Land	Buildings	Furniture and equipment	Roads	Bridges and structures	Vehicles	Assets under construction	Total
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, 2018

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.

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 \$6,500 (2017 - \$9,200). The employee benefits liabilities as at December 31 are \$104,900 (2017 - 96,000).

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>2018</u>	<u>2017</u>
Current period benefit cost	\$ 11,800	\$ 11,400
Retirement benefit interest	<u>3,600</u>	<u>3,300</u>
	<u>\$ 15,400</u>	<u>\$ 14,700</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

The Corporation of the Township of Puslinch

Notes to Financial Statements

December 31, 2018

6. Long-term Liabilities

The debenture payable to the County of Wellington bears interest at 3.85% to 5% and is repayable in variable annual installments. This debt was repaid during the year.

7. Pension Agreements

The municipality makes contributions to OMERS, which is a multi-employer plan, on behalf of 18 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 2018 by the Township of Puslinch was \$118,983 (2017 - \$111,448). The contribution rate for 2018 was 9.0% to 15.9% depending on age and income level (2017 - 9.0% to 15.8%).

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, 2018. At that time the plan reported a \$4.19 billion actuarial deficit (2017 - \$5.40 billion actuarial deficit), based on actuarial liabilities of \$99.06 billion (2017 - \$93.61 billion) and actuarial assets of \$94.87 billion (2017 - \$88.21 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.

In the previous 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. During the year, the Township worked with solicitors 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 were met. The Township's total contribution and interest costs resulting from this were \$128,394.

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2018

8. Accumulated Surplus

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

	2018	2017
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$ 18,752,395	\$ 18,683,555
Capital assets financed by long-term liabilities and to be funded in future years	-	(119,000)
Total invested in capital assets	18,752,395	18,564,555
Unfunded post-employment benefits	(104,900)	(96,000)
General surplus (Note 11)	421,819	404,081
Barber's Beach street lighting area	172	931
Cambridge fire area	1,583	2,979
	19,071,069	18,876,546
Reserves (Note 9)	4,001,171	3,907,793
Accumulated surplus	\$ 23,072,240	\$ 22,784,339

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2018

9. Reserves Set Aside for Specific Purpose by Council

	2018	2017
Reserves		
Working funds	\$ 135,234	\$ 95,581
Contingencies	727,951	104,089
Current purposes	539,813	565,198
Capital purposes	2,598,173	3,142,925
 Reserves set aside for specific purpose by Council	 \$ 4,001,171	 \$ 3,907,793

10. Other Income

	2018 Budget	2018 Actual	2017 Actual
Penalties and interest on taxation	\$ 174,574	\$ 186,860	\$ 175,272
Investment income	63,426	131,548	67,707
Licenses, permits and rents	417,607	518,513	621,897
Donations	-	7,031	400
Development charges	125,840	121,546	143,117
Cash in lieu of parkland	117,229	88,910	-
Provincial Aggregates levy	243,110	281,367	275,293
Other	29,070	60,605	55,645
	\$ 1,170,856	\$ 1,396,380	\$ 1,339,331

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2018

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.

	2018 Budget	2018 Actual	2017 Actual
Annual surplus (deficit) (Page 5)	\$ (29,522)	\$ 287,901	\$ 166,213
Amortization of tangible capital assets	1,452,552	1,452,552	1,603,570
Change in unfunded liabilities	-	8,900	5,500
Change in other surpluses	-	2,155	(1,302)
	1,423,030	1,751,508	1,773,981
Net transfers (to) from reserves	223,045	(93,378)	(408,548)
Tangible capital assets acquisitions and disposals	(1,527,075)	(1,521,392)	(1,275,210)
Debt principal repayments	(119,000)	(119,000)	(116,000)
	-	17,738	(25,777)
Prior year general surplus	-	404,081	429,858
General surplus (Note 8)	\$ -	\$ 421,819	\$ 404,081

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2018

12. Grants

	2018 Budget	2018 Actual	2017 Actual
Operating			
Province of Ontario			
Ontario Municipal Partnership			
Fund (OMPF)	\$ 413,600	\$ 413,600	\$ 370,200
- Transportation	107,836	121,552	75,822
- Protection	17,260	17,261	-
Unconditional - Recreation and cultural	5,167	5,325	6,253
- Protection	1,500	1,856	3,861
	<u>545,363</u>	<u>559,594</u>	<u>456,136</u>
Government of Canada			
Conditional - General government	50,000	61,706	54,941
Conditional - Recreation and cultural	70,482	53,648	-
	<u>120,482</u>	<u>115,354</u>	<u>54,941</u>
Other Municipalities			
Unconditional - General government	25,000	25,000	25,000
Unconditional - Recreation and cultural	10,000	10,000	10,000
	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
Government of Canada			
Federal Gas Tax	<u>220,000</u>	<u>220,000</u>	<u>300,000</u>
Total grants	<u>\$ 895,845</u>	<u>\$ 929,948</u>	<u>\$ 846,077</u>

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2018

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>2018</u>	<u>2017</u>
School boards	\$ 6,006,968	\$ 5,840,750
County of Wellington	<u>14,117,032</u>	<u>13,435,082</u>
	<u>\$ 20,124,000</u>	<u>\$ 19,275,832</u>

14. Commitments

The Township is in an agreement for fire services totaling \$137,800 annually from January 1, 2019 to December 31, 2019.

The Township is in an agreement for information technology services totaling \$28,078 annually from January 1, 2019 to November 30, 2019.

The Township is in an agreement for the supply of gravel totaling \$45,680 annually from January 1, 2019 to December 31, 2019.

The Township is in an agreement for the supply of calcium for gravel roads totaling \$58,800 annually from January 1, 2019 to June 30, 2019.

The Township has committed to spend approximately \$115,801 on capital projects in 2019 and beyond on various recreation, general government and transportation capital projects.

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.

The Corporation of the Township of Puslinch

Notes to Financial Statements

December 31, 2018

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. 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.

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.

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:

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

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2018

16. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Recreational and Cultural Services	Planning and Development	2018 Total
Revenue						
Taxation	\$ 893,454	\$ 933,255	\$ 1,950,166	\$ 174,738	\$ 94,412	\$ 4,046,025
Fees and user charges	3,800	148,769	-	128,048	126,631	407,248
Specific grants	86,706	19,117	341,552	68,973	-	516,348
OMPF grant	91,332	95,401	199,353	17,863	9,651	413,600
Provincial aggregate levy	62,132	64,900	135,618	12,152	6,565	281,367
Other revenue	398,722	40,720	76,430	116,670	482,471	1,115,013
	1,536,146	1,302,162	2,703,119	518,444	719,730	6,779,601
Expenses						
Salaries and benefits	875,444	508,333	607,756	228,098	264,828	2,484,459
Interest on debt	2,975	-	-	-	-	2,975
Materials and supplies	249,747	328,296	512,101	141,284	52,947	1,284,375
Contracted services	272,571	118,121	191,199	20,521	395,238	997,650
Other transfers	31,750	163,705	-	-	-	195,455
Rents and financial expenses	5,677	2,058	-	4,828	-	12,563
Amortization	34,408	115,241	1,191,623	111,278	-	1,452,550
Loss on sale of tangible capital assets	-	-	61,673	-	-	61,673
	1,472,572	1,235,754	2,564,352	506,009	713,013	6,491,700
Annual surplus (deficit)	\$ 63,574	\$ 66,408	\$ 138,767	\$ 12,435	\$ 6,717	\$ 287,901

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2018

16. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Recreational and Cultural Services	Planning and Development	2017 Total
Revenue						
Taxation	\$ 807,345	\$ 884,231	\$ 1,960,685	\$ 192,224	\$ -	\$ 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	18,510	-	370,200
Provincial aggregate levy	57,812	63,317	140,399	13,765	-	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
	1,336,886	1,239,897	2,704,565	448,536	707,386	6,437,270
Expenses						
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
	1,288,522	1,255,841	2,651,356	470,384	604,954	6,271,057
Annual surplus (deficit)	\$ 48,364	\$ (15,944)	\$ 53,209	\$ (21,848)	\$ 102,432	\$ 166,213

The Corporation of the Township of Puslinch
Schedule of Deferred Revenue

For the year ended December 31, 2018

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 495,710	\$ 187,632	\$ 13,470	\$ (121,546)	\$ 575,266
Federal gas tax	11,579	223,880	344	(220,000)	15,803
Recreational land	276,950	113,455	7,368	(88,910)	308,863
Stormwater perpetual maintenance	25,733	33,455	-	-	59,188
Ontario Main Street Revitalization	-	44,135	562	-	44,697
	809,972	602,557	21,744	(430,456)	1,003,817
Other					
Recreation	45,197	45,588	-	(45,197)	45,588
Building permits	50,682	46,785	-	(50,682)	46,785
	\$ 905,851	\$ 694,930	\$ 21,744	\$ (526,335)	\$1,096,190