

The Corporation of the
Township of Puslinch
Financial Statements
For the year ended December 31, 2014

DRAFT - FOR DISCUSSION PURPOSES

**The Corporation of the Township of Puslinch
Financial Statements
For the year ended December 31, 2014**

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The Corporation of the Township of Puslinch

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Independent Auditor's Report

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, 2014, 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 entity'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 entity'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.

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, 2014 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.

Other Matters

The financial statements of the Corporation of the Township of Puslinch for the year ended December 31, 2013 were audited by another auditor who expressed an unmodified opinion on those statements on March 5, 2014.

Chartered Professional Accountants, Licensed Public Accountants

March 4, 2015
Guelph, Ontario

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The Corporation of the Township of Puslinch
Statement of Financial Position

<u>December 31</u>	<u>2014</u>	<u>2013</u>
		(restated) (Note 15)
Assets and Liabilities		
Financial assets		
Cash (Note 1)	\$ 4,861,071	\$ 4,675,941
Taxes receivable	1,153,412	1,200,768
Trade and other receivable	218,850	439,202
	<u>6,233,333</u>	<u>6,315,911</u>
Liabilities		
Accounts payable and accrued liabilities	414,639	684,453
Grading deposits	202,908	258,110
Security deposits	1,533,535	1,485,495
Deferred revenue (Page 24)	721,938	1,160,009
Long-term liabilities (Note 4)	451,000	552,000
	<u>3,324,020</u>	<u>4,140,067</u>
Net financial assets	2,909,313	2,175,844
Non financial assets		
Prepaid expenses	102,079	-
Tangible capital assets (Note 2)	19,937,107	20,773,184
	<u>20,039,186</u>	<u>20,773,184</u>
Accumulated surplus (Note 6)	\$ 22,948,499	\$ 22,949,028

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

For the year ended December 31	2014	2014	2013
	Budget (Note 9)	Actual	Actual (restated) (Note 15)
Revenue			
Taxation	\$ 3,316,262	\$ 3,471,397	\$ 3,127,972
Fees and user charges	333,081	479,370	269,124
Grants (Note 10)	508,913	554,295	626,726
Other income (Note 8)	750,882	846,748	989,702
Obligatory reserve fund revenue recognized	848,789	796,139	607,499
	<u>5,757,927</u>	<u>6,147,949</u>	<u>5,621,023</u>
Expenses			
General government	1,155,240	1,232,166	1,104,006
Protection services	897,630	1,045,767	885,878
Transportation services	2,935,865	2,871,231	2,989,710
Recreation and cultural services	583,695	561,278	535,764
Planning and development	529,675	438,036	327,322
	<u>6,102,105</u>	<u>6,148,478</u>	<u>5,842,680</u>
Annual surplus (deficit) (Note 9)	(344,178)	(529)	(221,657)
Accumulated surplus, beginning of year	<u>22,949,028</u>	<u>22,949,028</u>	<u>23,170,685</u>
Accumulated surplus, end of year	<u>\$ 22,604,850</u>	<u>\$ 22,948,499</u>	<u>\$ 22,949,028</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	2014	2014	2013
	Budget (Note 9)	Actual	Actual (restated) (Note 15)
Annual surplus (deficit) (Page 5)	\$ (344,178)	\$ (529)	\$ (221,657)
Acquisition of tangible capital assets	(1,727,848)	(1,033,187)	(1,571,979)
Amortization of tangible capital assets	1,742,149	1,742,149	1,894,326
Loss on sale of tangible capital assets	125,261	125,261	149,259
Proceeds on disposal of capital assets	-	1,854	2,589
	139,562	836,077	474,195
Change in prepaid expenses		(102,079)	-
Increase (decrease) in net financial assets	(204,616)	733,469	252,538
Net financial assets, beginning of the year	2,175,844	2,175,844	1,923,306
Net financial assets, end of the year	\$ 1,971,228	\$ 2,909,313	\$ 2,175,844

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The Corporation of the Township of Puslinch
Statement of Cash Flows

For the year ended December 31	2014	2013
		(restated) (Note 15)
Cash provided by (used in)		
Operating activities		
Annual surplus (deficit)	\$ (529)	\$ (221,657)
Items not involving cash		
Amortization of tangible capital assets	1,742,149	1,894,326
Deferred revenue recognized	(817,770)	(623,006)
Change in prepaid expenses	(102,079)	-
Loss on sale of capital assets	125,261	149,259
	<u>947,032</u>	<u>1,198,922</u>
Changes in non-cash working capital balances		
Taxes receivable	47,356	56,112
Trade and other receivable	220,353	(172,250)
Portfolio investments	-	64,208
Accounts payable and accrued liabilities	(269,815)	390,977
Grading deposits	(55,202)	14,000
Security deposits	48,040	(563,697)
Deferred revenue received	379,699	512,559
	<u>370,431</u>	<u>301,909</u>
	<u>1,317,463</u>	<u>1,500,831</u>
Capital transactions		
Cash used to acquire tangible capital assets	(1,033,187)	(1,571,979)
Proceeds on sale of tangible capital assets	1,854	2,589
	<u>(1,031,333)</u>	<u>(1,569,390)</u>
Financing activities		
Repayment of long-term liabilities	(101,000)	(97,000)
Net change in cash and cash equivalents	185,130	(165,559)
Cash and cash equivalents, beginning of year	<u>4,675,941</u>	<u>4,841,500</u>
Cash and cash equivalents, end of year	\$ 4,861,071	\$ 4,675,941

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, 2014

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.

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

December 31, 2014

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 Fees and user charges are recognized when the related service is provided.

Other revenues are 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, 2014

Deferred Revenue	Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated 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>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										
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, 2014

1. Cash

	<u>2014</u>	<u>2013</u>
Unrestricted	\$ 4,152,603	\$ 3,546,249
Restricted	708,468	1,129,692
	<u>\$ 4,861,071</u>	<u>\$ 4,675,941</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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The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2014

2. Tangible Capital Assets

	2014							
	Land	Buildings	Furniture and equipment	Roads	Bridges and structures	Vehicles	Assets under construction	Total
Cost, beginning of year	\$ 1,229,008	\$ 4,225,836	\$ 988,229	\$ 38,569,769	\$ 6,361,239	\$ 3,036,217	\$ 42,906	\$ 54,453,204
Additions	-	163,894	52,328	456,594	312,513	-	47,858	1,033,187
Disposals	-	-	(10,000)	(1,339,832)	(46,437)	(51,912)	-	(1,448,181)
Transferred from assets under construction	-	-	1,652	-	11,240	-	(12,892)	-
Cost, end of year	1,229,008	4,389,730	1,032,209	37,686,531	6,638,555	2,984,305	77,872	54,038,210
Accumulated amortization, beginning of year	-	1,128,993	841,565	28,128,722	2,049,868	1,530,872	-	33,680,020
Amortization	-	105,536	39,283	1,248,287	150,680	198,363	-	1,742,149
Disposals	-	-	(10,000)	(1,241,044)	(18,110)	(51,912)	-	(1,321,066)
Accumulated amortization, end of year	-	1,234,529	870,848	28,135,965	2,182,438	1,677,323	-	34,101,103
Net carrying amount, end of year	\$ 1,229,008	\$ 3,155,201	\$ 161,361	\$ 9,550,566	\$ 4,456,117	\$ 1,306,982	\$ 77,872	\$ 19,937,107

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2014

2. Tangible Capital Assets - (continued)

	2013							
	Land	Buildings	Furniture and equipment	Roads	Bridges and structures	Vehicles	Assets under construction	Total
Cost, beginning of year	\$ 1,229,008	\$ 1,704,021	\$ 963,797	\$ 39,330,075	\$ 5,962,546	\$ 3,112,266	\$ 1,976,828	\$ 54,278,541
Additions	575,001	37,978	503,841	401,850	40,417	12,892		1,571,979
Disposals	-	-	(13,546)	(1,267,174)	(3,157)	(116,466)	-	(1,397,316)
Transferred from assets under construction	-	(1,946,814)	-	-	-	-	1,946,814	-
Cost, end of year	1,229,008	4,225,836	988,229	38,569,769	6,361,239	3,036,217	42,906	54,453,204
Accumulated amortization, beginning of year	-	934,686	820,698	27,914,419	1,909,513	1,451,846	-	33,031,162
Amortization	194,307	34,413	1,326,602	143,512	195,492	-	-	1,894,326
Disposals	-	-	(13,546)	(1,112,299)	(3,157)	(116,466)	-	(1,245,468)
Accumulated amortization, end of year	-	1,128,993	841,565	28,128,722	2,049,868	1,530,872	-	33,680,020
Net carrying amount, end of year	\$ 1,229,008	\$ 3,096,843	\$ 146,664	\$ 10,441,047	\$ 4,311,371	\$ 1,505,345	\$ 42,906	\$ 20,773,184

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2014

3. 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.

4. Long-Term Liabilities

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

	<u>2014</u>	<u>2013</u>
Debenture payable, County of Wellington, variable interest at 3.85% to 5.00%, repayable in variable annual instalments (2014 - \$101,000, 2013 - \$97,000), due July 2018	<u>\$ 451,000</u>	<u>\$ 552,000</u>

Principal payments for the next 4 fiscal years are as follows:

2015	\$ 106,000
2016	110,000
2017	116,000
2018	119,000

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The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2014

5. 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 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 2014 by the Township of Puslinch was \$108,890 (2013 - \$86,236). The contribution rate for 2014 was 9.0% to 15.9% depending on age and income level (2013 - 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, 2013. At that time the plan reported a \$8.6 billion actuarial deficit (2012 - \$9.9 billion actuarial deficit), based on actuarial liabilities of \$73.0 billion (2012 - \$69.1 billion) and actuarial assets of \$64.4 billion (2012 - \$59.2 billion). Ongoing adequacy of the current contribution rates will need to be monitored as the severe decline in the financial markets may lead to increased future funding requirements.

6. Accumulated Surplus

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

	2014	2013 (restated) (Note 16)
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$ 19,937,107	\$ 20,773,184
Capital assets financed by long-term liabilities and to be funded in future years	(451,000)	(552,000)
	19,486,107	20,221,184
Total invested in capital assets		
General surplus (Note 9)	626,661	653,025
Barber's Beach street lighting area	(1,554)	355
Cambridge fire area	4,153	2,495
	20,115,367	20,877,059
Reserves and reserve funds (Note 7)	2,833,132	2,071,969
Accumulated surplus	\$ 22,948,499	\$ 22,949,028

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2014

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

	2014	2013 (restated) (Note 15)
Reserves		
Working funds	\$ 350,133	\$ 196,918
Contingencies	99,293	-
Current purposes	396,751	193,623
Capital purposes	1,986,955	1,681,428
Reserves and reserve funds set aside for specific purpose by Council	\$ 2,833,132	\$ 2,071,969

8. Other Income

	2014 Budget	2014 Actual	2013 Actual
Penalties and interest on taxation	\$ 186,254	\$ 194,660	\$ 185,640
Investment income	50,914	72,199	73,212
Licenses, permits and rents	275,160	335,617	431,871
Sale of publications, equipment, etc.	-	-	30
Aggregates levy	214,539	213,037	233,664
Other	24,015	31,235	65,285
	\$ 750,882	\$ 846,748	\$ 989,702

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2014

9. 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 and loss on sale of tangible capital assets.

	2014 Budget	2014 Actual	2013 Actual (restated) (Note 15)
Annual surplus (deficit) (Page 5)	\$ (344,178)	\$ (529)	\$ (221,657)
Amortization of tangible capital assets	1,742,149	1,742,149	1,894,326
Change in other surpluses	-	251	(274)
	1,397,971	1,741,871	1,672,395
Net transfers (to) from reserves	244,466	(761,163)	(179,054)
Capital acquisitions, disposals and write-down	(1,602,587)	(906,072)	(1,420,131)
Debt principal repayments	(101,000)	(101,000)	(97,000)
	(61,150)	(26,364)	(23,790)
Prior year general surplus	61,150	653,025	627,133
General surplus (Note 6)	\$ -	\$ 626,661	\$ 653,025

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2014

10. Grants

	2014 Budget	2014 Actual	2013 Actual
Operating			
Province of Ontario			
Ontario Municipal Partnership			
Fund (OMPF)	\$ 402,700	\$ 402,700	\$ 404,000
Conditional - General government	16,250	16,250	-
- Transportation	-	44,923	-
- Recreation and cultural	-	-	174,840
- Planning and development	12,500	-	-
- Protection	27,740	27,740	22,763
Unconditional - Recreation and cultural	5,123	5,167	5,123
- Protection	1,500	30	-
	<u>465,813</u>	<u>496,810</u>	<u>606,726</u>
Government of Canada			
Conditional - Recreation and cultural	23,100	22,485	-
Other Municipalities			
Unconditional - General government	10,000	35,000	10,000
- Planning and development	\$ 10,000	\$ -	\$ -
Total operating grants	<u>508,913</u>	<u>554,295</u>	<u>616,726</u>
Tangible Capital Asset			
Other Municipalities			
Unconditional - Recreation and cultural	-	-	10,000
Total grants	<u>508,913</u>	<u>\$ 554,295</u>	<u>\$ 626,726</u>

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2014

11. 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>2014</u>	<u>2013</u>
School boards	\$ 6,004,788	\$ 5,631,596
County of Wellington	12,235,382	11,460,610
	<u>\$18,240,170</u>	<u>\$ 17,092,206</u>

12. Commitments

The Township has entered into an agreement for fire services totaling \$108,500 annually from January 1, 2015 to December 31, 2015.

The Township has entered into an agreement for information technology services totaling \$25,440 annually from January 1, 2015 to December 31, 2015.

The Township has committed to spend approximately \$222,000 on capital projects in 2015 and beyond on various protection and transportation capital projects.

13. 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, 2014

14. Comparative Amounts

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

15. Prior Period Errors

Invoices relating to 2013 expenses which were received and paid in 2014 were reported as outstanding cheques instead of accounts payable. This classification error has been adjusted in the prior period. Cash increased by \$549,612 and accounts payable and accrued liabilities increased by \$549,612 as a result of this adjustment.

Unreconciled differences existed in prior periods' trade and other receivable balances. Included in prior period trade and other receivable balances were credit balances that should have been recognized as revenue in fiscal 2009 or earlier. These were adjusted as a prior period adjustment, resulting in an increase in the opening accumulated surplus of \$49,682 and an increase in trade and other receivable of \$49,682.

PSAB section 3510 - Taxation Revenue was not adopted in the prior year. This adjustment resulted in a decrease in taxes receivable of \$157,946, a decrease in taxation revenue of \$157,946, a decrease in the annual surplus of \$157,946 and a decrease in closing accumulated surplus of \$157,946.

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.

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2014

16. Segmented Information (continued)

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
OMPF 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, 2014

For the year ended December 31	General Government	Protection Services	Transportation Services	Recreation and Cultural Services	Planning and Development	2014 Total
Revenue						
Taxation	\$ 728,993	\$ 659,565	\$ 1,839,841	\$ 242,998	\$ -	\$ 3,471,397
Fees and user charges	6,779	226,625	-	134,050	111,916	479,370
Specific grants	26,250	27,770	44,923	27,652	25,000	151,595
OMPF grant	84,567	76,513	213,431	28,189	-	402,700
Provincial Aggregate Levy	44,738	40,477	112,909	14,913	-	213,037
Other revenue	288,281	29,499	3,895	5,338	306,698	633,711
Obligatory reserve fund revenue recognized	54,561	(25,904)	676,932	90,550	-	796,139
	<u>1,234,169</u>	<u>1,034,545</u>	<u>2,891,931</u>	<u>543,690</u>	<u>443,614</u>	<u>6,147,949</u>
Expenses						
Salaries and benefits	695,427	420,735	509,227	221,493	272,643	2,119,525
Interest on debt	24,219	-	-	-	-	24,219
Materials and supplies	181,627	303,371	538,887	178,330	62,130	1,264,345
Contracted services	273,184	173,117	175,721	54,081	103,263	683,566
Other transfers	32,925	144,364	-	1,000	-	178,289
Rents and financial expenses	2,289	652	-	8,184	-	11,125
Amortization	22,495	99,328	1,522,135	98,190	-	1,742,148
Loss on sale of tangible capital assets	-	-	125,261	-	-	125,261
	<u>1,232,166</u>	<u>1,045,767</u>	<u>2,871,231</u>	<u>561,278</u>	<u>438,036</u>	<u>6,148,478</u>
Annual surplus (deficit)	\$ 2,003	\$ (11,222)	\$ 20,700	\$ (17,588)	\$ 5,578	\$ (529)

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

December 31, 2014

For the year ended December 31	General Government	Protection Services	Transportation Services	Recreation and Cultural Services	Planning and Development	2013 Total
Revenue						
Taxation	\$ 625,594	\$ 625,594	\$ 2,001,902	\$ -	\$ (125,119)	\$ 3,127,972
Fees and user charges	-	14,181	-	169,738	85,205	269,124
Specific grants	42,763	-	-	179,963	-	222,726
OMPF grant	80,800	80,800	258,560	-	(16,160)	404,000
Provincial Aggregate Levy	46,733	46,733	149,545	-	(9,347)	233,664
Other revenue	268,523	65,493	2,800	-	419,222	756,038
Obligatory reserve fund revenue recognized	-	-	332,499	175,000	-	607,499
	1,064,413	832,801	2,845,306	524,701	353,801	5,621,023
Expenses						
Salaries and benefits	603,320	353,024	485,092	152,673	218,107	1,812,216
Interest on debt	28,725	-	-	-	-	28,725
Materials and supplies	159,203	175,369	591,819	191,283	51,173	1,165,847
Contracted services	253,844	129,009	168,700	1,273	58,042	605,868
Other transfers	34,598	141,783	-	-	-	176,381
Rents and financial expenses	4,428	-	-	5,574	-	10,002
Amortization	19,888	94,693	1,594,840	184,961	-	1,894,382
Loss on sale of tangible capital assets	-	-	149,259	-	-	149,259
	1,104,006	885,878	2,989,710	535,764	327,322	5,842,680
Annual surplus (deficit)	\$ (39,593)	\$ (53,077)	\$ (144,404)	\$ (11,063)	\$ 26,479	\$ (221,657)

The Corporation of the Township of Puslinch
Schedule of Deferred Revenue

For the year ended December 31, 2014

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 385,341	\$ 104,533	\$ 5,450	\$ (190,692)	\$ 304,632
Federal Gas Tax	489,425	209,009	6,741	(529,044)	176,131
Recreational land	263,612	9,726	3,020	(76,403)	199,955
	1,138,378	323,268	15,211	(796,139)	680,718
Other					
Recreation	-	20,199	-	-	20,199
Building permits	21,631	21,021	-	(21,631)	21,021
	\$ 1,160,009	\$ 364,488	\$ 15,211	\$ (817,770)	\$ 721,938

DRAFT - FOR DISCUSSION PURPOSES