

The Corporation of the  
Township of Puslinch  
Financial Statements  
For the year ended December 31, 2019

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Financial Statements  
For the year ended December 31, 2019

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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**

### **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, 2019, 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, 2019, 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.

Chartered Professional Accountants, Licensed Public Accountants

May 20, 2020  
Orangeville, Ontario

The Corporation of the Township of Puslinch  
Statement of Financial Position

December 31	2019	2018
<b>Assets and Liabilities</b>		
Financial assets		
Cash (Note 1)	\$ 4,766,372	\$ 3,267,076
Temporary investments (Note 2)	2,597,817	2,541,771
Taxes receivable	1,219,593	1,214,647
Trade and other receivable	280,764	383,014
	8,864,546	7,406,508
Liabilities		
Accounts payable and accrued liabilities	958,892	550,659
Grading deposits	48,000	63,500
Security deposits	922,672	1,271,414
Post-employment benefits (Note 4)	101,568	104,900
Deferred revenue (Page 24)	1,642,914	1,096,190
	3,674,046	3,086,663
Net financial assets	5,190,500	4,319,845
Non-financial assets		
Tangible capital assets (Note 5)	19,154,099	18,752,395
Accumulated surplus (Note 7)	\$24,344,599	\$ 23,072,240

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	2019 Budget (Note 10)	2019 Actual	2018 Actual
<b>Revenue</b>			
Taxation	\$ 4,251,962	\$ 4,308,350	\$ 4,046,025
Fees and user charges	324,509	456,855	407,248
Government transfers (Note 11)	1,364,252	1,479,299	929,948
Other income (Note 9)	1,498,333	1,593,080	1,396,380
	<u>7,439,056</u>	<u>7,837,584</u>	<u>6,779,601</u>
<b>Expenses</b>			
General government	1,588,369	1,417,693	1,472,572
Protection services	1,194,191	1,248,437	1,235,754
Transportation services	2,476,453	2,636,482	2,564,352
Recreation and cultural services	541,293	502,835	506,009
Planning and development	840,450	759,778	713,013
	<u>6,640,756</u>	<u>6,565,225</u>	<u>6,491,700</u>
Annual surplus (Note 10)	798,300	1,272,359	287,901
Accumulated surplus, beginning of year	<u>23,072,240</u>	<u>23,072,240</u>	<u>22,784,339</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 23,870,540</u>	<u>\$24,344,599</u>	<u>\$ 23,072,240</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	2019 Budget (Note 10)	2019 Actual	2018 Actual
Annual surplus (Page 5)	\$ 798,300	\$ 1,272,359	\$ 287,901
Acquisition of tangible capital assets	(2,453,670)	(1,953,592)	(1,559,733)
Amortization of tangible capital assets	1,403,392	1,403,392	1,452,552
Loss on sale of tangible capital assets	-	130,041	33,187
Proceeds on disposal of tangible capital assets	-	18,455	5,154
	<u>(1,050,278)</u>	<u>(401,704)</u>	<u>(68,840)</u>
Increase (decrease) in net financial assets	(251,978)	870,655	219,061
Net financial assets, beginning of the year	<u>4,319,845</u>	<u>4,319,845</u>	<u>4,100,784</u>
Net financial assets, end of the year	<u>\$ 4,067,867</u>	<u>\$ 5,190,500</u>	<u>\$ 4,319,845</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	2019	2018
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 1,272,359	\$ 287,901
Items not involving cash		
Change in post-employment benefits	(3,332)	8,900
Amortization of tangible capital assets	1,403,392	1,452,552
Deferred revenue recognized	(449,800)	(526,335)
Loss on sale of tangible capital assets	130,041	33,187
	2,352,660	1,256,205
Changes in non-cash working capital balances		
Taxes receivable	(4,946)	(162,223)
Trade and other receivable	102,250	(143,236)
Accounts payable and accrued liabilities	408,233	138,576
Grading deposits	(15,500)	(16,500)
Security deposits	(348,742)	(738,558)
Deferred revenue received	996,524	716,674
	1,137,819	(205,267)
	3,490,479	1,050,938
Capital transactions		
Cash used to acquire tangible capital assets	(1,953,592)	(1,559,733)
Proceeds on sale of tangible capital assets	18,455	5,154
	(1,935,137)	(1,554,579)
Financing activities		
Repayment of long-term liabilities	-	(119,000)
Net change in cash and cash equivalents	1,555,342	(622,641)
Cash and cash equivalents, beginning of year	5,808,847	6,431,488
Cash and cash equivalents, end of year	\$ 7,364,189	\$ 5,808,847
Cash and cash equivalents are comprised of:		
Cash	\$ 4,766,372	\$ 3,267,076
Temporary investments	2,597,817	2,541,771
	\$ 7,364,189	\$ 5,808,847

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, 2019

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Management Responsibility	The management of the Corporation of the Township of Puslinch has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. The Council reviews and approves the financial statements.
Basis of Accounting	<p>The financial statements have been prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing.</p> <p>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.</p>
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. Estimates are used when accounting for items such as accrued grant receivables, useful lives of capital assets, accrued liabilities, and taxation revenue. 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	<p>The contributions to the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer defined benefit plan are expensed when contributions are due.</p> <p>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.</p>

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

December 31, 2019

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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** 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** Government transfers are recognized as revenue in the financial statements when the transfer is authorized, and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

December 31, 2019

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Cash and Cash Equivalents      Cash and cash equivalents include all cash balances and short term highly liquid investments that are readily convertible into cash.

Temporary Investments      Temporary investments are recorded at the lower of cost or market value.

Liability for Contaminated Sites      A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. Management is not aware of any contaminated sites for which a liability needs to be recognized.

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.

Tangible Capital Assets      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:

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

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

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

December 31, 2019

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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.

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The Corporation of the Township of Puslinch  
Notes to Financial Statements

December 31, 2019

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1. Cash

	2019	2018
Unrestricted	\$ 3,344,955	\$ 2,342,836
Restricted	1,421,417	924,240
	\$ 4,766,372	\$ 3,267,076

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. The Canadian Deposit Insurance Corporation insures deposits up to a maximum of \$100,000 per depositor.

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2. Temporary Investments

	2019	2018
Unrestricted		
Redeemable GIC, 2.47%, matures March 13, 2019	\$ -	\$ 1,019,828
Redeemable GIC, 2.60%, matures July 17, 2019	\$ -	\$ 1,011,908
Redeemable GIC, 2.90%, matures March 13, 2020	\$ 1,048,505	\$ -
Redeemable GIC, 2.45%, matures July 17, 2020	\$ 1,037,466	\$ -
Restricted		
Redeemable GIC, 2.45%, matures March 7, 2019	\$ -	\$ 510,035
Redeemable GIC, 2.90%, matures March 5, 2020	\$ 255,933	\$ -
Redeemable GIC, 2.90%, matures March 6, 2020	\$ 255,913	\$ -
	\$ 2,597,817	\$ 2,541,771

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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.

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The Corporation of the Township of Puslinch  
Notes to Financial Statements

December 31, 2019

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4. 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 \$8,272 (2018 - \$6,500). The employee benefits liabilities as at December 31 are \$101,568 (2018 - 104,900).

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:

	2019	2018
Current period benefit cost	\$ 1,489	\$ 11,800
Retirement benefit interest	3,451	3,600
	<u>\$ 4,940</u>	<u>\$ 15,400</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 2019. The assumptions used reflect the Township's best estimates.

Discount rate	3.75% per year
Dental premium rates	3.75% per year
Health care premium rates	6.75% in 2020 to 3.75% over 10 years
Future salaries escalations	2.75% per year
Future inflation rate	1.75% per year

The Corporation of the Township of Puslinch  
Notes to Financial Statements

December 31, 2019

5. Tangible Capital Assets

	2019							
	Land	Buildings	Furniture and equipment	Roads	Bridges and structures	Vehicles	Assets under construction	Total
Cost, beginning 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
Additions	-	-	109,129	1,326,080	76,284	310,221	131,878	1,953,592
Disposals	-	-	(79,008)	(1,536,006)	-	(164,856)	-	(1,779,870)
Transfers	(44,584)	(9,909)	9,909	393,150	261,517	-	(610,083)	-
Cost, end of year	1,210,663	4,633,319	1,281,937	36,202,838	7,530,100	3,326,253	176,462	54,361,572
Accumulated amortization, beginning of year	-	1,627,202	1,015,084	28,207,577	2,564,744	2,020,848	-	35,435,455
Amortization	-	114,994	55,157	905,544	150,935	176,762	-	1,403,392
Disposals	-	-	(79,008)	(1,387,510)	-	(164,856)	-	(1,631,374)
Transfers	-	(1,238)	1,238	(3,029)	3,029	-	-	-
Accumulated amortization, end of year	-	1,740,958	992,471	27,722,582	2,718,708	2,032,754	-	35,207,473
Net carrying amount, end of year	\$ 1,210,663	\$ 2,892,361	\$ 289,466	\$ 8,480,256	\$ 4,811,392	\$ 1,293,499	\$ 176,462	\$ 19,154,099

The Corporation of the Township of Puslinch  
Notes to Financial Statements

December 31, 2019

5. Tangible Capital Assets - (continued)

	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)
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



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The Corporation of the Township of Puslinch  
Notes to Financial Statements

December 31, 2019

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6. 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 2019 by the Township of Puslinch was \$125,799 (2018 - \$118,983). The contribution rate for 2019 was 9.0% to 15.9% depending on age and income level (2018 - 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, 2019. At that time the plan reported a \$3.40 billion actuarial deficit (2018 - \$4.19 billion actuarial deficit), based on actuarial liabilities of \$106.44 billion (2018 - \$99.06 billion) and actuarial assets of \$103.04 billion (2018 - \$94.87 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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7. Accumulated Surplus

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

	2019	2018
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$19,154,099	\$ 18,752,395
Unfunded post-employment benefits	(101,568)	(104,900)
General surplus (Note 10)	542,282	421,819
Barber's Beach street lighting area	2,081	172
Cambridge fire area	(452)	1,583
	19,596,442	19,071,069
Reserves (Note 8)	4,748,157	4,001,171
Accumulated surplus	\$24,344,599	\$ 23,072,240

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The Corporation of the Township of Puslinch  
Notes to Financial Statements

December 31, 2019

8. Reserves Set Aside for Specific Purpose by Council

	2019	2018
Reserves		
Working funds	\$ 701,548	\$ 135,234
Contingencies	171,022	727,951
Asset management	2,884,336	-
Current purposes	397,584	539,813
Capital purposes	593,667	2,598,173
 Reserves set aside for specific purpose by Council	 \$ 4,748,157	 \$ 4,001,171

9. Other Income

	2019 Budget	2019 Actual	2018 Actual
Penalties and interest on taxation	\$ 174,573	\$ 209,976	\$ 186,860
Investment income	70,000	169,859	131,548
Licenses, permits and rents	467,838	513,387	518,513
Donations	89,826	19,435	7,031
Development charges	148,460	110,992	121,546
Cash in lieu of parkland	58,500	22,415	88,910
Provincial Aggregates levy	456,000	507,089	281,367
Other	33,136	39,927	60,605
	\$ 1,498,333	\$ 1,593,080	\$ 1,396,380

The Corporation of the Township of Puslinch  
Notes to Financial Statements

December 31, 2019

10. 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.

	2019 Budget	2019 Actual	2018 Actual
Annual surplus (Page 5)	\$ 798,300	\$ 1,272,359	\$ 287,901
Amortization of tangible capital assets	1,403,392	1,403,392	1,452,552
Change in unfunded liabilities	-	(3,332)	8,900
Change in other surpluses	-	126	2,155
	2,201,692	2,672,545	1,751,508
Net transfers (to) from reserves	251,978	(325,167)	(93,378)
Tangible capital assets acquisitions and disposals	(2,453,670)	(1,805,096)	(1,521,392)
Debt principal repayments	-	-	(119,000)
	-	542,282	17,738
Prior year general surplus	-	421,819	404,081
Prior year surplus transfer to reserve	-	(421,819)	-
General surplus (Note 7)	\$ -	\$ 542,282	\$ 421,819

The Corporation of the Township of Puslinch  
Notes to Financial Statements

December 31, 2019

11. Government Transfers

	2019 Budget	2019 Actual	2018 Actual
<b>Operating</b>			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 380,200	\$ 415,700	\$ 413,600
General government	58,535	588,968	13,716
Recreation and cultural	5,167	5,609	5,325
Protection	1,500	1,216	19,117
	<u>445,402</u>	<u>1,011,493</u>	<u>451,758</u>
Government of Canada			
General government	-	14,364	61,706
	<u>-</u>	<u>14,364</u>	<u>61,706</u>
<b>Total operating grants</b>	<u>445,402</u>	<u>1,025,857</u>	<u>513,464</u>
<b>Capital</b>			
Province of Ontario			
Transportation	169,421	169,421	107,836
Recreation and cultural	\$ 150,000	\$ -	\$ -
	<u>319,421</u>	<u>169,421</u>	<u>107,836</u>
Government of Canada			
Federal Gas Tax	220,000	220,000	220,000
Recreational and cultural	301,025	-	53,648
	<u>521,025</u>	<u>220,000</u>	<u>273,648</u>
Other Municipalities			
General government	25,000	25,000	25,000
Recreation and cultural	53,404	39,021	10,000
	<u>78,404</u>	<u>64,021</u>	<u>35,000</u>
<b>Total tangible capital asset grants</b>	<u>918,850</u>	<u>453,442</u>	<u>416,484</u>
<b>Total grants</b>	<u>\$ 1,364,252</u>	<u>\$ 1,479,299</u>	<u>\$ 929,948</u>

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The Corporation of the Township of Puslinch  
Notes to Financial Statements

December 31, 2019

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12. 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:

	2019	2018
School boards	\$ 6,100,883	\$ 6,006,968
County of Wellington	14,685,426	14,117,032
	<u>\$20,786,309</u>	<u>\$ 20,124,000</u>

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13. Commitments

The Township is in an agreement for fire services totaling \$137,800 annually from January 1, 2020 to December 31, 2020.

The Township has committed to spend approximately \$51,874 on capital projects in 2020 and beyond on various recreation capital projects.

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14. 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.

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15. Subsequent Events

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Township, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Township's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Township is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Township's ability to continue delivering non-essential services and employ related staff will depend on the legislative mandates from the various levels of government. The Township will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

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The Corporation of the Township of Puslinch  
Notes to Financial Statements

December 31, 2019

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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. 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	Allocated to segments based on the net surplus for the year
Provincial Aggregate Levy	Allocated to the transportation services segment

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

**December 31, 2019**

16. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Recreational and Cultural Services	Planning and Development	2019 Total
<b>Revenue</b>						
Taxation	\$ 435,619	\$ 1,126,325	\$ 2,363,938	\$ 216,289	\$ 166,179	\$ 4,308,350
Fees and user charges	2,224	172,364	-	145,089	137,178	456,855
Specific grants	628,332	1,216	389,421	44,630	-	1,063,599
OMPF grant	42,032	108,676	228,089	20,869	16,034	415,700
Provincial aggregate levy	-	-	507,089	-	-	507,089
Other revenue	386,863	39,920	74,928	114,377	469,903	1,085,991
	<u>1,495,070</u>	<u>1,448,501</u>	<u>3,563,465</u>	<u>541,254</u>	<u>789,294</u>	<u>7,837,584</u>
<b>Expenses</b>						
Salaries and benefits	777,702	569,437	538,232	241,337	327,531	2,454,239
Materials and supplies	232,689	281,807	596,389	130,183	44,458	1,285,526
Contracted services	320,803	124,608	225,497	10,838	387,789	1,069,535
Other transfers	37,553	168,343	-	-	-	205,896
Rents and financial expenses	8,343	3,538	-	4,715	-	16,596
Amortization	40,603	100,704	1,146,323	115,762	-	1,403,392
Loss on sale of tangible capital assets	-	-	130,041	-	-	130,041
	<u>1,417,693</u>	<u>1,248,437</u>	<u>2,636,482</u>	<u>502,835</u>	<u>759,778</u>	<u>6,565,225</u>
<b>Annual surplus (deficit)</b>	<b>\$ 77,377</b>	<b>\$ 200,064</b>	<b>\$ 926,983</b>	<b>\$ 38,419</b>	<b>\$ 29,516</b>	<b>\$ 1,272,359</b>

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

**December 31, 2019**

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
<b>Revenue</b>						
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
	<u>1,536,146</u>	<u>1,302,162</u>	<u>2,703,119</u>	<u>518,444</u>	<u>719,730</u>	<u>6,779,601</u>
<b>Expenses</b>						
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
	<u>1,472,572</u>	<u>1,235,754</u>	<u>2,564,352</u>	<u>506,009</u>	<u>713,013</u>	<u>6,491,700</u>
<b>Annual surplus (deficit)</b>	<b>\$ 63,574</b>	<b>\$ 66,408</b>	<b>\$ 138,767</b>	<b>\$ 12,435</b>	<b>\$ 6,717</b>	<b>\$ 287,901</b>



The Corporation of the Township of Puslinch  
Schedule of Deferred Revenue

For the year ended December 31, 2019

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
<b>Obligatory Reserve Funds</b>					
Development charges	\$ 575,266	\$ 256,387	\$ 17,168	\$ (110,992)	\$ 737,829
Federal gas tax	15,803	450,596	3,474	(220,000)	249,873
Recreational land	308,863	190,280	10,407	(22,415)	487,135
Stormwater perpetual maintenance	59,188	-	-	-	59,188
Ontario Main Street Revitalization	44,697	-	1,131	(4,020)	41,808
	1,003,817	897,263	32,180	(357,427)	1,575,833
<b>Other</b>					
Recreation	45,588	58,903	-	(45,588)	58,903
Building permits	46,785	8,178	-	(46,785)	8,178
	\$ 1,096,190	\$ 964,344	\$ 32,180	\$ (449,800)	\$1,642,914