

**The Corporation of the
Township of Puslinch
Financial Statements
For the year ended December 31, 2020**

The Corporation of the Township of Puslinch
Financial Statements
For the year ended December 31, 2020

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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, 2020, 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, 2020, 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 26, 2021
Orangeville, Ontario

The Corporation of the Township of Puslinch
Statement of Financial Position

December 31	2020	2019
Assets and Liabilities		
Financial assets		
Cash (Note 1)	\$ 5,703,607	\$ 4,766,372
Temporary investments (Note 2)	2,428,914	2,597,817
Taxes receivable	1,402,373	1,219,593
Trade and other receivable	739,240	280,764
	<u>10,274,134</u>	<u>8,864,546</u>
Liabilities		
Accounts payable and accrued liabilities	812,440	958,892
Grading deposits	43,500	48,000
Security deposits	1,045,249	922,672
Post-employment benefits (Note 4)	92,360	101,568
Deferred revenue (Page 23)	2,254,783	1,642,914
	<u>4,248,332</u>	<u>3,674,046</u>
Net financial assets	6,025,802	5,190,500
Non-financial assets		
Tangible capital assets (Note 5)	<u>20,007,531</u>	<u>19,154,099</u>
Accumulated surplus (Note 7)	\$26,033,333	\$ 24,344,599

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	2020	2020	2019
	Budget (Note 10)	Actual	Actual
Revenue			
Taxation	\$ 4,498,421	\$ 4,585,002	\$ 4,308,350
Fees and user charges	364,405	321,511	456,855
Government transfers (Note 11)	2,107,580	1,701,270	1,479,299
Other income (Note 9)	1,498,853	1,483,781	1,593,080
	<u>8,469,259</u>	<u>8,091,564</u>	<u>7,837,584</u>
Expenses			
General government	1,440,552	1,305,037	1,417,693
Protection services	1,102,815	1,186,913	1,248,437
Transportation services	2,514,014	2,751,353	2,636,482
Recreation and cultural services	551,388	424,316	502,835
Planning and development	862,046	735,211	759,778
	<u>6,470,815</u>	<u>6,402,830</u>	<u>6,565,225</u>
Annual surplus (Note 10)	1,998,444	1,688,734	1,272,359
Accumulated surplus, beginning of year	<u>24,344,599</u>	<u>24,344,599</u>	<u>23,072,240</u>
Accumulated surplus, end of year	<u>\$ 26,343,043</u>	<u>\$26,033,333</u>	<u>\$ 24,344,599</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	2020	2020	2019
	Budget (Note 10)	Actual	Actual
Annual surplus (Page 5)	\$ 1,998,444	\$ 1,688,734	\$ 1,272,359
Acquisition of tangible capital assets	(4,078,532)	(2,471,921)	(1,953,592)
Amortization of tangible capital assets	1,420,550	1,420,550	1,403,392
Loss on sale of tangible capital assets	-	177,174	130,041
Proceeds on disposal of tangible capital assets	-	20,765	18,455
	(2,657,982)	(853,432)	(401,704)
Increase (decrease) in net financial assets	(659,538)	835,302	870,655
Net financial assets, beginning of the year	5,190,500	5,190,500	4,319,845
Net financial assets, end of the year	\$ 4,530,962	\$ 6,025,802	\$ 5,190,500

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	2020	2019
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 1,688,734	\$ 1,272,359
Items not involving cash		
Change in post-employment benefits	(9,208)	(3,332)
Amortization of tangible capital assets	1,420,550	1,403,392
Deferred revenue recognized	(660,201)	(449,800)
Loss on sale of tangible capital assets	177,174	130,041
	2,617,049	2,352,660
Changes in non-cash working capital balances		
Taxes receivable	(182,780)	(4,946)
Trade and other receivable	(458,476)	102,250
Accounts payable and accrued liabilities	(146,452)	408,233
Grading deposits	(4,500)	(15,500)
Security deposits	122,577	(348,742)
Deferred revenue received	1,272,070	996,524
	602,439	1,137,819
	3,219,488	3,490,479
Capital transactions		
Cash used to acquire tangible capital assets	(2,471,921)	(1,953,592)
Proceeds on sale of tangible capital assets	20,765	18,455
	(2,451,156)	(1,935,137)
Net change in cash and cash equivalents	768,332	1,555,342
Cash and cash equivalents, beginning of year	7,364,189	5,808,847
Cash and cash equivalents, end of year	\$ 8,132,521	\$ 7,364,189
Cash and cash equivalents are comprised of:		
Cash	\$ 5,703,607	\$ 4,766,372
Temporary investments	2,428,914	2,597,817
	\$ 8,132,521	\$ 7,364,189

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, 2020

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.
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.

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

December 31, 2020

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.

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.

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

December 31, 2020

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.

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.

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.

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, 2020

1. Cash

	2020	2019
Unrestricted	\$ 3,280,647	\$ 3,344,955
Restricted	2,422,960	1,421,417
	\$ 5,703,607	\$ 4,766,372

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.

2. Temporary Investments

	2020	2019
Unrestricted		
Redeemable GIC, 1.86%, matures March 16, 2021	\$ 1,014,790	\$ -
Redeemable GIC, 1.25%, matures July 18, 2022	1,057,162	-
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 September 7, 2021	102,014	-
Redeemable GIC, 2.40%, matures September 7, 2021	254,948	-
Redeemable GIC, 2.90%, matures March 5, 2020	-	255,933
Redeemable GIC, 2.90%, matures March 6, 2020	-	255,913
	\$ 2,428,914	\$ 2,597,817

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.

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2020

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 \$9,002 (2019 - \$8,272). The employee benefits liabilities as at December 31 are \$92,360 (2019 - \$101,568).

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:

	2020	2019
Current period benefit cost	\$ 1,581	\$ 1,489
Retirement benefit interest	1,623	3,451
Amortization of actuarial gains/losses	(3,410)	-
	\$ (206)	\$ 4,940

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, 2020

5. Tangible Capital Assets

	2020							
	Land	Buildings	Furniture and equipment	Roads	Bridges and structures	Vehicles	Assets under construction	Total
Cost, beginning 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
Additions	45,525	58,690	53,872	1,105,599	669,766	506,898	31,571	2,471,921
Disposals	-	(54,888)	-	(2,500,800)	(109,190)	(194,870)	-	(2,859,748)
Transfers	84,565				22,671		(107,236)	
Cost, end of year	1,340,752	4,637,122	1,335,809	34,807,635	8,113,347	3,638,283	100,796	53,973,745
Accumulated amortization, beginning of year	-	1,740,958	992,471	27,722,582	2,718,708	2,032,754	-	35,207,473
Amortization	-	115,234	61,958	901,277	161,696	180,385	-	1,420,550
Disposals	-	-	-	(2,500,800)	(44,036)	(116,973)	-	(2,661,809)
Transfers	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	1,856,193	1,054,429	26,123,058	2,836,368	2,096,166	-	33,966,214
Net carrying amount, end of year	\$ 1,340,752	\$ 2,780,929	\$ 281,380	\$ 8,684,577	\$ 5,276,979	\$ 1,542,117	\$ 100,796	\$ 20,007,531

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2020

5. Tangible Capital Assets - (continued)

	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)
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, 2020

6. Pension Agreements

The municipality makes contributions to OMERS, which is a multi-employer plan, on behalf of 20 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 2020 by the Township of Puslinch was \$134,618 (2019 - \$125,799). The contribution rate for 2020 was 9.0% to 15.8% depending on age and income level (2019 - 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, 2020. At that time the plan reported a \$3.20 billion actuarial deficit (2019 - \$3.40 billion actuarial deficit), based on actuarial liabilities of \$111.8 billion (2019 - \$106.44 billion) and actuarial assets of \$108.6 billion (2019 - \$103.04 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.

7. Accumulated Surplus

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

	<u>2020</u>	<u>2019</u>
Invested in tangible capital assets		
Tangible capital assets at cost less amortization	\$20,007,531	\$ 19,154,099
Unfunded post-employment benefits	(92,360)	(101,568)
General surplus (Note 10)	379,810	542,282
Barber's Beach street lighting area	1,899	2,081
Cambridge fire area	1,592	(452)
	<u>20,298,472</u>	<u>19,596,442</u>
Reserves (Note 8)	<u>5,734,861</u>	<u>4,748,157</u>
Accumulated surplus	<u>\$26,033,333</u>	<u>\$ 24,344,599</u>

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2020

8. Reserves Set Aside for Specific Purpose by Council

	2020	2019
Reserves		
Working funds	\$ 647,070	\$ 701,548
Contingencies	241,022	171,022
Asset management	3,766,526	2,884,336
Operating purposes	740,721	397,584
Capital purposes	339,522	593,667
Reserves set aside for specific purpose by Council	\$ 5,734,861	\$ 4,748,157

9. Other Income

	2020 Budget	2020 Actual	2019 Actual
Penalties and interest on taxation	\$ 177,051	\$ 200,685	\$ 209,976
Investment income	90,092	98,558	169,859
Licenses, permits and rents	473,203	531,140	513,387
Donations	30,000	-	19,435
Development charges	101,134	78,390	110,992
Cash in lieu of parkland	58,295	32,639	22,415
Provincial Aggregates levy	468,000	524,189	507,089
Other	101,078	18,180	39,927
	\$ 1,498,853	\$ 1,483,781	\$ 1,593,080

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2020

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.

	<u>2020</u> Budget	<u>2020</u> Actual	<u>2019</u> Actual
Annual surplus (Page 5)	\$ 1,998,444	\$ 1,688,734	\$ 1,272,359
Amortization of tangible capital assets	1,420,550	1,420,550	1,403,392
Change in unfunded liabilities	-	(9,208)	(3,332)
Change in other surpluses	-	(1,862)	126
	<u>3,418,994</u>	<u>3,098,214</u>	<u>2,672,545</u>
Net transfers (to) from reserves	659,538	(444,422)	(325,167)
Tangible capital assets acquisitions and disposals	<u>(4,078,532)</u>	<u>(2,273,982)</u>	<u>(1,805,096)</u>
	-	379,810	542,282
Prior year general surplus	-	542,282	421,819
Prior year surplus transfer to reserve	-	(542,282)	(421,819)
General surplus (Note 7)	<u>\$ -</u>	<u>\$ 379,810</u>	<u>\$ 542,282</u>

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2020

11. Government Transfers

	2020 Budget	2020 Actual	2019 Actual
Operating			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 417,400	\$ 417,400	\$ 415,700
General government	-	190,500	588,968
Recreation and cultural	5,167	4,468	5,609
Protection	1,500	310	1,216
	<u>424,067</u>	<u>612,678</u>	<u>1,011,493</u>
Government of Canada			
General government	-	890	14,364
Other Organizations			
General government	-	\$ 3,370	-
Total operating grants	<u>424,067</u>	<u>616,938</u>	<u>1,025,857</u>
Capital			
Province of Ontario			
Transportation	\$ 168,923	\$ 168,923	\$ 169,421
General government	24,000	42,091	-
	<u>192,923</u>	<u>211,014</u>	<u>169,421</u>
Government of Canada			
Federal Gas Tax	440,000	440,000	220,000
Transportation	865,590	355,935	-
	<u>1,305,590</u>	<u>795,935</u>	<u>220,000</u>
Other Municipalities			
General government	25,000	-	25,000
Transportation	10,000	53,000	-
Recreation and cultural	150,000	24,383	39,021
	<u>185,000</u>	<u>77,383</u>	<u>64,021</u>
Total tangible capital asset grants	<u>1,683,513</u>	<u>1,084,332</u>	<u>453,442</u>
Total grants	<u>\$ 2,107,580</u>	<u>\$ 1,701,270</u>	<u>\$ 1,479,299</u>

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2020

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:

	<u>2020</u>	<u>2019</u>
School boards	\$ 6,446,637	\$ 6,100,883
County of Wellington	<u>16,227,207</u>	<u>14,685,426</u>
	<u>\$22,673,844</u>	<u>\$ 20,786,309</u>

13. Commitments

The Township is in an agreement for fire services totaling \$137,800 annually from January 1, 2021 to December 31, 2021.

The Township has committed to spend approximately \$233,840 on capital projects in 2021 and beyond on various transportation capital projects.

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.

15. Uncertainty Due to COVID-19

The impact of COVID-19 in Canada and on the global economy continues to be a threat. As the effects 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. Given the dynamic nature of these circumstances, and the duration of disruption, 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.

The Corporation of the Township of Puslinch

Notes to Financial Statements

December 31, 2020

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

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2020

16. Segmented Information (continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Recreational and Cultural Services	Planning and Development	2020 Total
Revenue						
Taxation	\$ 866,800	\$ 1,305,310	\$ 2,002,124	\$ 353,250	\$ 57,518	\$ 4,585,002
Fees and user charges	2,585	76,583	-	47,446	194,897	321,511
Specific grants	236,851	310	1,017,858	28,851	-	1,283,870
OMPF grant	78,910	118,830	182,265	32,158	5,237	417,400
Provincial aggregate levy	-	-	524,189	-	-	524,189
Other revenue	340,050	17,416	57,624	52,335	492,167	959,592
	<u>1,525,196</u>	<u>1,518,449</u>	<u>3,784,060</u>	<u>514,040</u>	<u>749,819</u>	<u>8,091,564</u>
Expenses						
Salaries and benefits	880,071	493,801	640,692	177,127	323,294	2,514,985
Materials and supplies	165,477	226,158	548,399	118,710	32,525	1,091,269
Contracted services	164,036	174,096	229,834	7,526	379,392	954,884
Other transfers	37,540	169,561	-	-	-	207,101
Rents and financial expenses	8,492	23,872	-	4,503	-	36,867
Amortization	49,421	99,425	1,155,254	116,450	-	1,420,550
Loss on sale of tangible capital assets	-	-	177,174	-	-	177,174
	<u>1,305,037</u>	<u>1,186,913</u>	<u>2,751,353</u>	<u>424,316</u>	<u>735,211</u>	<u>6,402,830</u>
Annual surplus (deficit)	\$ 220,159	\$ 331,536	\$ 1,032,707	\$ 89,724	\$ 14,608	\$ 1,688,734

The Corporation of the Township of Puslinch
Notes to Financial Statements

December 31, 2020

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
Revenue						
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
	1,495,070	1,448,501	3,563,465	541,254	789,294	7,837,584
Expenses						
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
	1,417,693	1,248,437	2,636,482	502,835	759,778	6,565,225
Annual surplus (deficit)	\$ 77,377	\$ 200,064	\$ 926,983	\$ 38,419	\$ 29,516	\$ 1,272,359

The Corporation of the Township of Puslinch
Schedule of Deferred Revenue

For the year ended December 31, 2020

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges	\$ 737,829	\$ 754,405	\$ 14,644	\$ (78,390)	\$1,428,488
Federal gas tax	249,873	222,547	1,921	(440,000)	34,341
Recreational land	487,135	202,500	7,787	(32,639)	664,783
Stormwater perpetual maintenance	59,188	-	-	-	59,188
Ontario Main Street Revitalization	41,808	-	283	(42,091)	-
	1,575,833	1,179,452	24,635	(593,120)	2,186,800
Other					
Grants	-	25,000	-	-	25,000
Recreation	58,903	17,121	-	(58,903)	17,121
Building permits	8,178	25,862	-	(8,178)	25,862
	\$ 1,642,914	\$ 1,247,435	\$ 24,635	\$ (660,201)	\$2,254,783