

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
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YEAR ENDED DECEMBER 31, 2021

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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 accompanying financial statements of The Corporation of the Township of Puslinch, which comprise the statement of financial position as at December 31, 2021 and the statements of operations, 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, these financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Puslinch as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of 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 Corporation of the Township of Puslinch 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.

Predecessor auditor

The financial statements of the municipality for the year ended December 31, 2020 were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on May 26, 2021.

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 municipality's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the municipality'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 judgement 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 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 municipality'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 municipality'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 municipality 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.



Guelph, Ontario
March 23, 2022

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020 (note 2)
FINANCIAL ASSETS		
Cash (note 3)	\$ 6,829,173	\$ 5,703,607
Portfolio investments (note 4)	2,448,852	2,428,914
Taxes receivable	1,370,814	1,700,098
Accounts receivable	<u>673,033</u>	<u>739,240</u>
	<u>11,321,872</u>	<u>10,571,859</u>
LIABILITIES		
Accounts payable and accrued liabilities	439,920	812,440
Grading deposits	38,500	43,500
Security deposits	856,377	1,045,249
Post-employment benefits (note 5)	82,219	92,360
Deferred revenue (note 6)	<u>3,531,914</u>	<u>2,552,508</u>
	<u>4,948,930</u>	<u>4,546,057</u>
NET FINANCIAL ASSETS	<u>6,372,942</u>	<u>6,025,802</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	<u>21,251,883</u>	<u>20,007,531</u>
ACCUMULATED SURPLUS (schedule 2)	<u>\$ 27,624,825</u>	<u>\$ 26,033,333</u>

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget (note 8)	2021	2020
REVENUES (schedule 3)			
Taxation	\$ 4,614,139	\$ 4,617,842	\$ 4,585,002
Fees and user charges	241,969	427,012	272,360
Government transfers (note 9)	2,025,551	1,508,454	1,701,270
Other income (note 10)	<u>1,964,245</u>	<u>1,824,722</u>	<u>1,532,932</u>
	<u>8,845,904</u>	<u>8,378,030</u>	<u>8,091,564</u>
EXPENSES (schedule 3)			
General government	1,649,191	1,570,401	1,305,037
Protection services	1,218,727	1,303,865	1,175,865
Transportation services	2,678,649	2,716,988	2,751,353
Recreation and cultural services	559,853	446,455	424,316
Planning and development	<u>776,830</u>	<u>748,829</u>	<u>746,259</u>
	<u>6,883,250</u>	<u>6,786,538</u>	<u>6,402,830</u>
ANNUAL SURPLUS	1,962,654	1,591,492	1,688,734
ACCUMULATED SURPLUS, beginning of year	<u>26,033,333</u>	<u>26,033,333</u>	<u>24,344,599</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 27,995,987</u>	<u>\$ 27,624,825</u>	<u>\$ 26,033,333</u>

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 Budget (note 8)	2021	2020
ANNUAL SURPLUS	\$ <u>1,962,654</u>	\$ <u>1,591,492</u>	\$ <u>1,688,734</u>
Acquisition of tangible capital assets	(4,496,873)	(3,030,611)	(2,471,921)
Amortization of tangible capital assets	1,420,550	1,477,772	1,420,550
Loss on sale of tangible capital assets	168,122	168,122	177,174
Proceeds on disposal of tangible capital assets	<u>0</u>	<u>140,365</u>	<u>20,765</u>
	<u>(2,908,201)</u>	<u>(1,244,352)</u>	<u>(853,432)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(945,547)	347,140	835,302
NET FINANCIAL ASSETS, beginning of year	<u>6,025,802</u>	<u>6,025,802</u>	<u>5,190,500</u>
NET FINANCIAL ASSETS, end of year	<u>\$ 5,080,255</u>	<u>\$ 6,372,942</u>	<u>\$ 6,025,802</u>

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020 (note 2)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ 1,591,492	\$ 1,688,734
Items not requiring an outlay of cash		
Change in post-employment benefits	(10,141)	(9,208)
Amortization of tangible capital assets	1,477,772	1,420,550
Loss on sale of tangible capital assets	<u>168,122</u>	<u>177,174</u>
	3,227,245	3,277,250
Changes in non-cash working capital		
Taxes receivable	329,284	(182,780)
Accounts receivable	66,207	(458,476)
Accounts payable and accrued liabilities	(372,520)	(146,452)
Grading deposits	(5,000)	(4,500)
Security deposits	(188,872)	122,577
Deferred revenue	<u>979,406</u>	<u>611,869</u>
	<u>4,035,750</u>	<u>3,219,488</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(3,030,611)	(2,471,921)
Proceeds on disposal of tangible capital assets	<u>140,365</u>	<u>20,765</u>
	<u>(2,890,246)</u>	<u>(2,451,156)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,145,504	768,332
NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,132,521</u>	<u>7,364,189</u>
NET CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 9,278,025</u>	<u>\$ 8,132,521</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 3,895,173	\$ 3,280,647
Restricted cash	2,934,000	2,422,960
Portfolio investments	2,096,963	2,071,952
Restricted portfolio investments	<u>351,889</u>	<u>356,962</u>
	<u>\$ 9,278,025</u>	<u>\$ 8,132,521</u>

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

(a) **ACKNOWLEDGEMENT OF RESPONSIBILITY**

Management and Council of The Corporation of the Township of Puslinch acknowledge their responsibility for the creation and compilation of the following significant accounting policy decisions and the related policy notes.

(b) **USE OF ESTIMATES**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring management's estimates include accrued liabilities, accrued grants receivable, useful lives of tangible capital assets and taxation revenue. Actual results could differ from those estimates.

(c) **FINANCIAL INSTRUMENTS**

The municipality measures all its financial assets and financial liabilities at cost or amortized cost.

(d) **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include all cash balances and short term highly liquid investments that are readily convertible into cash. 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. The municipality has reserves and obligatory reserve funds for which cash is segregated and will be used only for specific purposes.

(e) **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. A defined benefit plan specifies the amount of retirement benefits to be received by the employees based on length of service and rates of pay. Employees and employers contribute jointly to the plan, and 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 municipality provides post-employment health, dental and life insurance benefits to eligible retired employees to a maximum age of 65. Retired full-time employees with 10 or more continuous years of service are eligible. The benefits earned by employees are determined using management's best estimate of expected benefit costs, and are expensed as services are rendered.

(f) **INTANGIBLE CAPITAL ASSETS**

Works of art and historical treasures, developed or inherited intangibles, and items inherited by right of the Crown, such as Crown lands, and natural resources, are not recognized in the municipality's financial statements.

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost less accumulated amortization. Costs include all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets are amortized on the basis of their estimated useful life using the straight-line method, using the following rates:

Buildings	40 years
Furniture and equipment	5-20 years
Roads	10-50 years
Bridges and infrastructure	20-50 years
Vehicles	7-15 years

Amortization is recorded at 50% of the above rates in the year of addition.

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

(h) TAXATION AND RELATED REVENUES

Property tax billings are prepared by the municipality based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by 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 municipality 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.

(i) 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 (excluding obligatory reserve funds) is reported as revenue in the period earned. Investment income on obligatory reserve funds is recorded directly to each fund balance.

(j) GOVERNMENT TRANSFERS

Government transfers are recognized as revenue in the period when the transfer is authorized and 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. Deferred revenue is recognized in the statement of operations as the stipulation liabilities are settled.

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) COUNTY AND SCHOOL BOARDS

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.

2. CORRESPONDING FIGURES

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.

3. BANK INDEBTEDNESS

The municipality has not utilized an authorized operating line of credit with a limit up to a maximum of \$1,500,000. The line of credit bears interest at prime and is secured by a current borrowing by-law.

4. PORTFOLIO INVESTMENTS

Portfolio investments are invested in Guaranteed Income Certificates with interest rates ranging from 0.81% to 1.75% (2020 - 1.86% to 2.90%) and maturity dates ranging from March 2022 to September 2024 (2020 - March 2021 to July 2022).

5. POST-EMPLOYMENT BENEFITS

Total benefit payments paid by the municipality on behalf of retirees during the year were \$3,917 (2020 - \$9,002) and the employee benefit liability at year end is \$82,219 (2020 - \$92,360). The municipality has not made allocations to fund this liability and future expenditures are anticipated to be recovered from tax billings. Expenses related to retirement benefits other than pensions are as follows:

	2021	2020
Current period benefit cost	\$ 1,673	\$ 1,581
Retirement benefit interest	1,393	1,623
Amortization of actuarial gains/losses	<u>(3,410)</u>	<u>(3,410)</u>
	<u>\$ (344)</u>	<u>\$ (206)</u>

The actuarial valuation is 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 valuation was performed in 2019. The following are assumptions used to reflect the municipality'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 salary escalations	2.75% per year
Future inflation rate	1.75% per year

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

6. DEFERRED REVENUE

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory reserve funds					
Development charges	\$ 1,428,488	\$ 318,141	\$ 12,597	\$(122,099)	\$ 1,637,127
Federal gas tax	34,341	456,327	1,739	(103,719)	388,688
Recreational land	664,783	303,800	6,486	(61,224)	913,845
Stormwater perpetual maintenance	59,188	0	0	0	59,188
	<u>2,186,800</u>	<u>1,078,268</u>	<u>20,822</u>	<u>(287,042)</u>	<u>2,998,848</u>
Other					
Grants	25,000	0	0	(25,000)	0
Taxation	297,725	383,984	0	(297,725)	383,984
Recreation	17,121	39,149	0	(17,121)	39,149
Building permits	25,862	109,933	0	(25,862)	109,933
	<u>365,708</u>	<u>533,066</u>	<u>0</u>	<u>(365,708)</u>	<u>533,066</u>
	<u>\$ 2,552,508</u>	<u>\$ 1,611,334</u>	<u>\$ 20,822</u>	<u>\$(652,750)</u>	<u>\$ 3,531,914</u>

7. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the municipality is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the municipality's exposure to these risks did not change in 2021 compared to the previous period.

The municipality does not have a significant exposure to any individual customer or counterpart.

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

8. BUDGET

The following is a reconciliation of the modified accrual basis budget approved by Council to a basis consistent with Public Sector Accounting Standards:

	2021 Budget	2021	2020
Annual surplus	\$ 1,962,654	\$ 1,591,492	\$ 1,688,734
Amortization of tangible capital assets	1,420,550	1,477,772	1,420,550
Change in unfunded liabilities	0	(10,141)	(9,208)
Change in other surpluses	<u>85,017</u>	<u>361</u>	<u>(1,862)</u>
	3,468,221	3,059,484	3,098,214
Transfers from (to) reserves	860,530	231,846	(444,422)
Acquisition and disposal of tangible capital assets	<u>(4,328,751)</u>	<u>(2,722,124)</u>	<u>(2,273,982)</u>
	0	569,206	379,810
Prior year general surplus	0	379,810	542,282
Transfer of prior year surplus to reserve	<u>0</u>	<u>(379,810)</u>	<u>(542,282)</u>
	<u>\$ 0</u>	<u>\$ 569,206</u>	<u>\$ 379,810</u>

9. GOVERNMENT TRANSFERS

	2021 Budget	2021	2020
Operating			
Government of Canada	\$ 0	\$ 0	\$ 890
Province of Ontario	464,467	591,892	612,678
Other	<u>0</u>	<u>0</u>	<u>3,370</u>
	464,467	591,892	616,938
Capital			
Government of Canada	1,357,161	510,124	795,935
Province of Ontario	168,923	326,438	211,014
Other	<u>35,000</u>	<u>80,000</u>	<u>77,383</u>
	1,561,084	916,562	1,084,332
	<u>\$ 2,025,551</u>	<u>\$ 1,508,454</u>	<u>\$ 1,701,270</u>

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

10. OTHER INCOME

	2021 Budget	2021	2020
Penalties and interest on taxation	\$ 190,000	\$ 221,758	\$ 200,685
Investment income	90,092	62,819	98,558
Licenses and permits	475,794	670,150	530,397
Donations	155,091	5,000	0
Development charges	214,826	122,099	78,390
Cash in lieu of parkland	229,779	61,224	32,639
Royalties	468,000	583,783	524,189
Other	70,705	68,972	21,701
Rents, concessions and franchises	<u>69,958</u>	<u>28,917</u>	<u>46,373</u>
	<u>\$ 1,964,245</u>	<u>\$ 1,824,722</u>	<u>\$ 1,532,932</u>

11. POST-EMPLOYMENT BENEFITS - PENSION

The municipality makes contributions to OMERS on behalf of 20 (2020 - 20) members of its staff. The employer amount contributed to OMERS was \$157,984 (2020 - \$134,618). The contribution rate was 9.0% to 14.6% (2020 - 9.0% to 15.8%) depending on age and income level. The ongoing adequacy of the contribution rates will need to be monitored as fluctuations in the financial markets may lead to increased future funding requirements.

The OMERS financial statements reported \$120.9 billion in net assets available for benefits (2020 - \$105.6 billion), \$119.3 billion as the defined benefit accrued pension obligation (2020 - \$111.8 billion) and a defined benefit funding deficit of \$3.1 billion (2020 - \$3.2 billion).

12. SEGMENTED DISCLOSURE

The Corporation of 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 bylaw enforcement department works to ensure that citizens and their property are protected by ensuring the municipality'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.

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

12. SEGMENTED DISCLOSURE (continued)

Planning and Development

This department provides a number of services including municipal 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 with other income.

13. COUNTY AND SCHOOL BOARDS

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

	2021	2020
School boards	\$ 5,644,544	\$ 6,446,637
County of Wellington	<u>16,295,437</u>	<u>16,227,207</u>
	<u>\$ 21,939,981</u>	<u>\$ 22,673,844</u>

14. COMMITMENTS

The municipality has committed to spend approximately \$766,611 on capital projects in 2022 and beyond.

The municipality has various contractual commitments for 2022 totalling \$261,111.

In addition, the municipality is in an agreement for fire services from January 1, 2022 to December 31, 2024. The budgeted future commitments are:

2022	\$ 140,000
2023	142,100
2024	<u>144,232</u>
	<u>\$ 426,332</u>

15. CONTINGENCIES

Various claims have been filed against the municipality for incidents which arose in the ordinary course of operations. In the opinion of management and legal counsel, the outcome of the lawsuits, now pending, will either be covered by insurance, or, if not so covered, will involve amounts that would not have a material adverse affect on the position of the municipality. However, should any loss result from the resolution of these claims, such loss would be accounted for as a prior period adjustment.

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

16. MATERIAL UNCERTAINTY DUE TO THE NOVEL CORONAVIRUS (COVID-19)

During the year and subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the municipality's assets and its future ability to deliver all services.

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH

SCHEDULE OF TANGIBLE CAPITAL ASSETS

Schedule 1

FOR THE YEAR ENDED DECEMBER 31, 2021

	Land	Buildings	Furniture and Equipment	Roads	Bridges and Structures	Vehicles	Assets Under Construction	2021
COST								
Balance, beginning of year	\$ 1,340,753	\$ 4,637,121	\$ 1,335,809	\$ 34,807,635	\$ 8,113,347	\$ 3,638,283	\$ 100,797	\$ 53,973,745
Additions during the year	0	0	337,773	1,282,130	118,628	949,193	342,887	3,030,611
Disposals during the year	0	0	(185,313)	(1,542,143)	0	(383,283)	0	(2,110,739)
Balance, end of year	<u>1,340,753</u>	<u>4,637,121</u>	<u>1,488,269</u>	<u>34,547,622</u>	<u>8,231,975</u>	<u>4,204,193</u>	<u>443,684</u>	<u>54,893,617</u>
ACCUMULATED AMORTIZATION								
Balance, beginning of year	0	1,856,192	1,054,429	26,123,059	2,836,368	2,096,166	0	33,966,214
Amortization	0	114,967	91,644	860,818	171,851	238,492	0	1,477,772
Disposals during the year	0	0	(180,826)	(1,240,727)	0	(380,699)	0	(1,802,252)
Balance, end of year	<u>0</u>	<u>1,971,159</u>	<u>965,247</u>	<u>25,743,150</u>	<u>3,008,219</u>	<u>1,953,959</u>	<u>0</u>	<u>33,641,734</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 1,340,753</u>	<u>\$ 2,665,962</u>	<u>\$ 523,022</u>	<u>\$ 8,804,472</u>	<u>\$ 5,223,756</u>	<u>\$ 2,250,234</u>	<u>\$ 443,684</u>	<u>\$ 21,251,883</u>

	Land	Buildings	Furniture and Equipment	Roads	Bridges and Structures	Vehicles	Assets Under Construction	2020
COST								
Balance, beginning of year	\$ 1,210,663	\$ 4,633,319	\$ 1,281,937	\$ 36,202,836	\$ 7,530,100	\$ 3,326,255	\$ 176,462	\$ 54,361,572
Additions during the year	45,525	58,690	53,872	1,105,599	669,766	506,898	31,571	2,471,921
Disposals during the year	0	(54,888)	0	(2,500,800)	(109,190)	(194,870)	0	(2,859,748)
Transfers	84,565	0	0	0	22,671	0	(107,236)	0
Balance, end of year	<u>1,340,753</u>	<u>4,637,121</u>	<u>1,335,809</u>	<u>34,807,635</u>	<u>8,113,347</u>	<u>3,638,283</u>	<u>100,797</u>	<u>53,973,745</u>
ACCUMULATED AMORTIZATION								
Balance, beginning of year	0	1,740,958	992,471	27,722,582	2,718,708	2,032,754	0	35,207,473
Amortization	0	115,234	61,958	901,277	161,696	180,385	0	1,420,550
Disposals during the year	0	0	0	(2,500,800)	(44,036)	(116,973)	0	(2,661,809)
Balance, end of year	<u>0</u>	<u>1,856,192</u>	<u>1,054,429</u>	<u>26,123,059</u>	<u>2,836,368</u>	<u>2,096,166</u>	<u>0</u>	<u>33,966,214</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 1,340,753</u>	<u>\$ 2,780,929</u>	<u>\$ 281,380</u>	<u>\$ 8,684,576</u>	<u>\$ 5,276,979</u>	<u>\$ 1,542,117</u>	<u>\$ 100,797</u>	<u>\$ 20,007,531</u>

See notes to the financial statements

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
 SCHEDULE OF ACCUMULATED SURPLUS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule 2

	2021	2020
SURPLUSES		
Invested in tangible capital assets	\$ 21,251,883	\$ 20,007,531
Unfunded post-employment benefits	(82,219)	(92,360)
General surplus	569,206	379,810
Barber's Beach street lighting area	1,448	1,899
Cambridge fire area	<u>1,682</u>	<u>1,592</u>
	<u>21,742,000</u>	<u>20,298,472</u>
RESERVES		
Working funds	649,754	647,070
Contingencies	316,022	241,022
Asset management	3,613,507	3,766,526
Operating purposes	839,435	740,721
Capital purposes	<u>464,107</u>	<u>339,522</u>
	<u>5,882,825</u>	<u>5,734,861</u>
ACCUMULATED SURPLUS	<u>\$ 27,624,825</u>	<u>\$ 26,033,333</u>

THE CORPORATION OF THE TOWNSHIP OF PUSLINCH
SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule 3

	General Government	Protection Services	Transpor- tation Services	Recreational and Cultural Services	Planning and Development	2021
REVENUES						
Taxation	\$ 1,047,765	\$ 1,511,567	\$ 1,818,347	\$ 240,163	\$ 0	\$ 4,617,842
Fees and user charges	53,369	107,575	16,370	0	249,698	427,012
Government transfers	420,014	144,624	751,593	192,223	0	1,508,454
Other income	320,717	40,599	738,522	95,041	629,843	1,824,722
	<u>1,841,865</u>	<u>1,804,365</u>	<u>3,324,832</u>	<u>527,427</u>	<u>879,541</u>	<u>8,378,030</u>
EXPENSES						
Salaries and benefits	1,060,240	526,020	614,597	203,908	448,165	2,852,930
Materials and supplies	165,238	177,990	509,554	111,703	45,254	1,009,739
Contracted services	230,055	301,987	242,804	5,824	269,741	1,050,411
Other transfers	34,180	175,333	0	0	0	209,513
Rents and financial expenses	27,265	0	0	5,117	6,591	38,973
Amortization	53,423	122,535	1,181,911	119,903	0	1,477,772
Loss on sale of tangible capital assets	0	0	168,122	0	0	168,122
Allocation of program support	0	0	0	0	(20,922)	(20,922)
	<u>1,570,401</u>	<u>1,303,865</u>	<u>2,716,988</u>	<u>446,455</u>	<u>748,829</u>	<u>6,786,538</u>
ANNUAL SURPLUS	<u>\$ 271,464</u>	<u>\$ 500,500</u>	<u>\$ 607,844</u>	<u>\$ 80,972</u>	<u>\$ 130,712</u>	<u>\$ 1,591,492</u>

	General Government	Protection Services	Transpor- tation Services	Recreational and Cultural Services	Planning and Development	2020
REVENUES						
Taxation	\$ 866,800	\$ 1,305,310	\$ 2,002,124	\$ 353,250	\$ 57,518	\$ 4,585,002
Fees and user charges	15,568	56,966	0	1,430	198,394	272,358
Government transfers	315,761	119,140	1,200,123	61,009	5,237	1,701,270
Other income	318,219	31,314	532,285	47,168	492,857	1,421,843
	<u>1,516,348</u>	<u>1,512,730</u>	<u>3,734,532</u>	<u>462,857</u>	<u>754,006</u>	<u>7,980,473</u>
EXPENSES						
Salaries and benefits	880,071	493,801	640,692	177,127	323,294	2,514,985
Materials and supplies	163,541	154,580	529,955	118,710	50,401	1,017,187
Contracted services	165,972	258,497	248,278	7,526	385,071	1,065,344
Other transfers	37,540	169,561	0	0	0	207,101
Rents and financial expenses	8,492	0	0	4,503	5,370	18,365
Amortization	49,421	99,425	1,155,254	116,450	0	1,420,550
Loss on sale of tangible capital assets	0	0	177,174	0	0	177,174
Allocation of program support	0	0	0	0	(17,876)	(17,876)
	<u>1,305,037</u>	<u>1,175,864</u>	<u>2,751,353</u>	<u>424,316</u>	<u>746,260</u>	<u>6,402,830</u>
ANNUAL SURPLUS	<u>\$ 211,311</u>	<u>\$ 336,866</u>	<u>\$ 983,179</u>	<u>\$ 38,541</u>	<u>\$ 7,746</u>	<u>\$ 1,577,643</u>

See notes to the financial statements