



Township of Puslinch

2022 Financial Statements

Presented by Murray Short

TOWNSHIP OF
PUSLINCH
EST. 1850





AGENDA



- Audit Overview
- Audit Report
- Financial Statements
- Next Steps

Audit Overview

- Final materiality = \$225,000
- No change in key audit areas, risks or planned procedures since communicated in Pre-Audit Communication Letter
- No significant internal control deficiencies to communicate
- No known independence issues
- No adjusting entries
- Two unadjusted differences identified and communicated

Audit Report

- The financial statements present fairly, in all material respects, the financial position, result of operations and cash flows of the Township of Puslinch in accordance with Canadian public sector accounting standards
- Audit conducted in accordance with Canadian generally accepted auditing standards

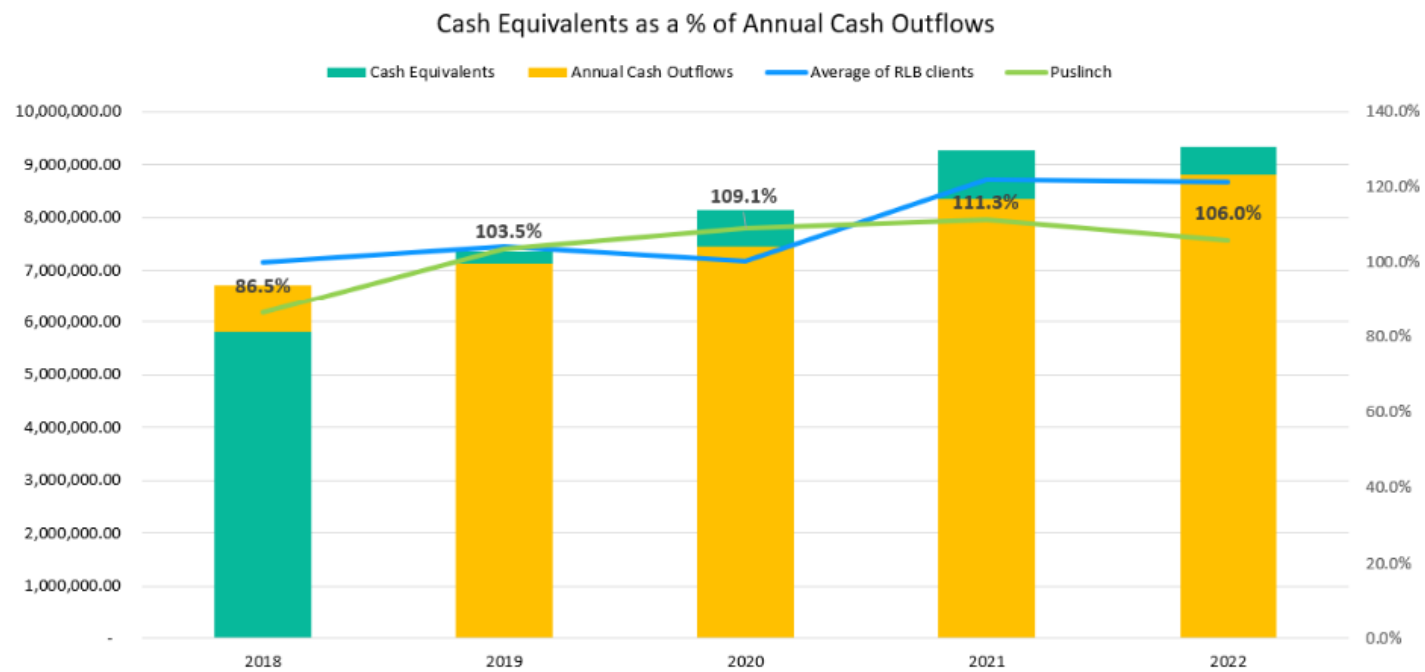
Statement of Financial Position

- The Statement of Financial Position (similar to a Balance Sheet for non-public entities) is a snapshot of the municipality's assets, liabilities and accumulated surplus at a point in time
- Key areas:
 - Cash equivalents (cash and portfolio investments)
 - Taxes receivable
 - Tangible capital assets
 - Accumulated surplus

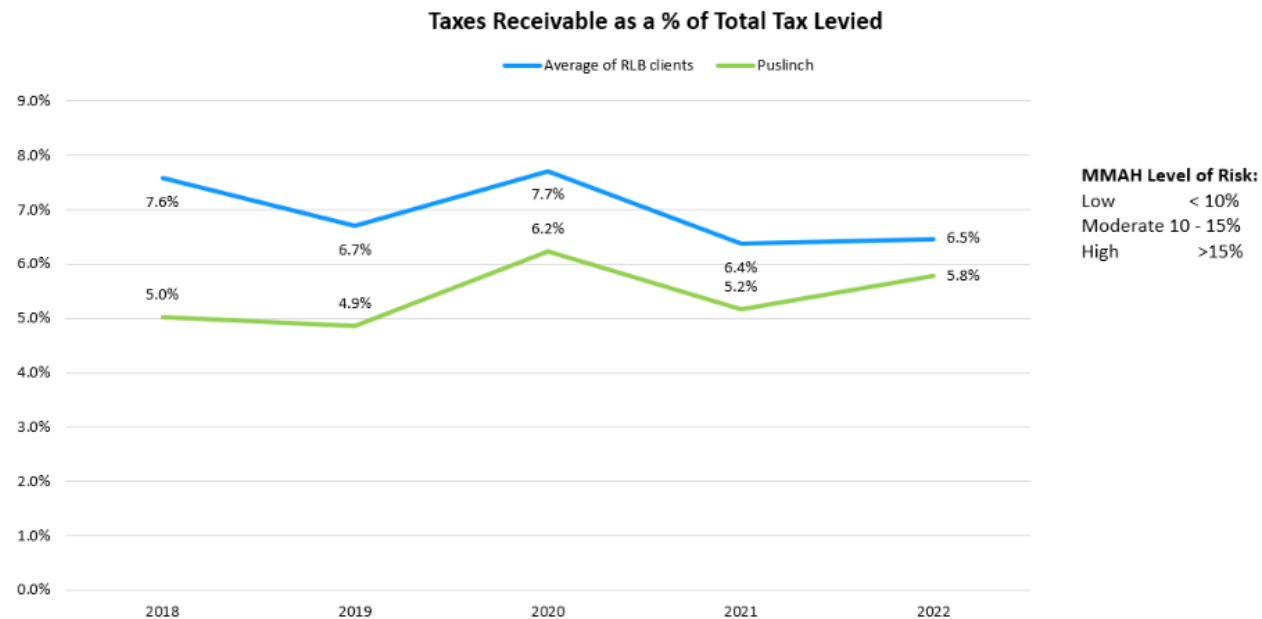
Statement of Financial Position

	2022	2021
FINANCIAL ASSETS		
Cash (note 3)	\$ 5,817,259	\$ 6,829,173
Portfolio investments (note 4)	3,515,280	2,448,852
Taxes receivable	1,670,785	1,370,814
Accounts receivable	577,729	673,033
	<u>11,581,053</u>	<u>11,321,872</u>
LIABILITIES		
Accounts payable and accrued liabilities	631,403	439,920
Grading deposits	34,000	38,500
Security deposits	852,273	856,377
Post-employment benefits (note 5)	74,035	82,219
Entrance permit deposits	6,000	0
Deferred revenue (note 6)	3,287,487	3,531,914
	<u>4,885,198</u>	<u>4,948,930</u>
NET FINANCIAL ASSETS	<u>6,695,855</u>	<u>6,372,942</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	22,345,683	21,251,883
Prepaid expenses	1,550	0
	<u>22,347,233</u>	<u>21,251,883</u>
ACCUMULATED SURPLUS (schedule 2)	<u>\$ 29,043,088</u>	<u>\$ 27,624,825</u>

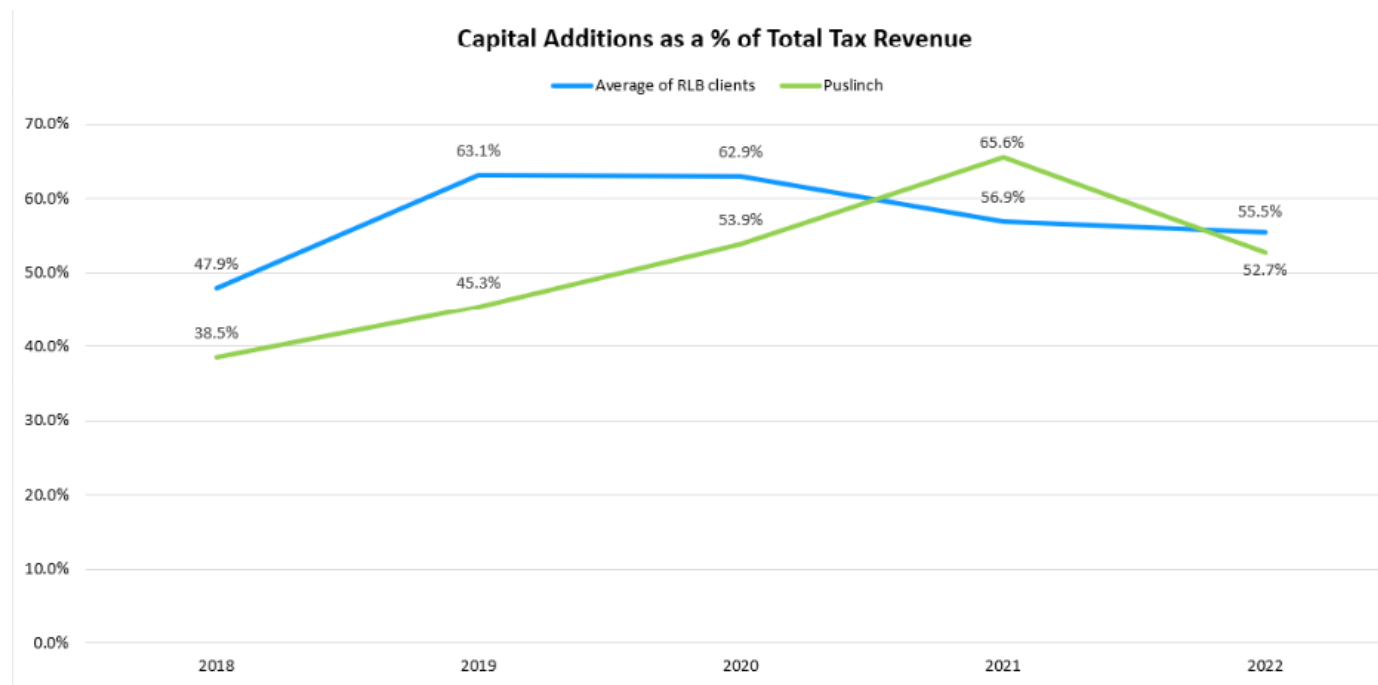
Cash Equivalents



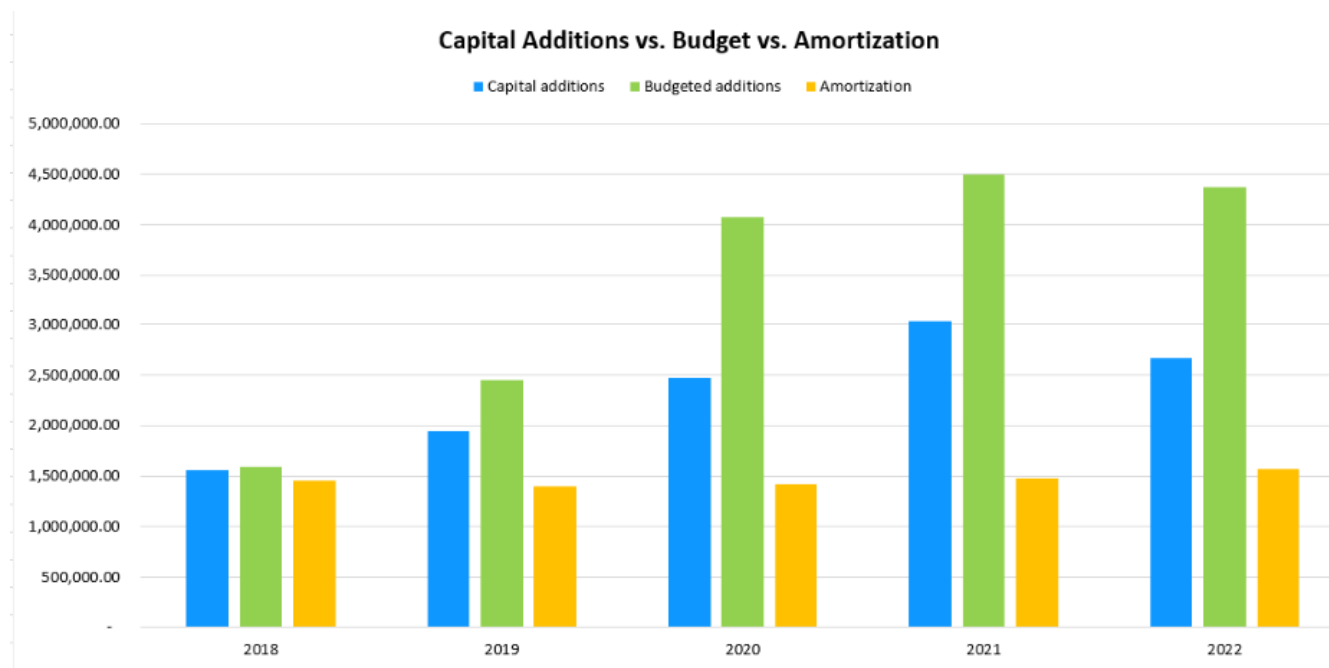
Taxes Receivable



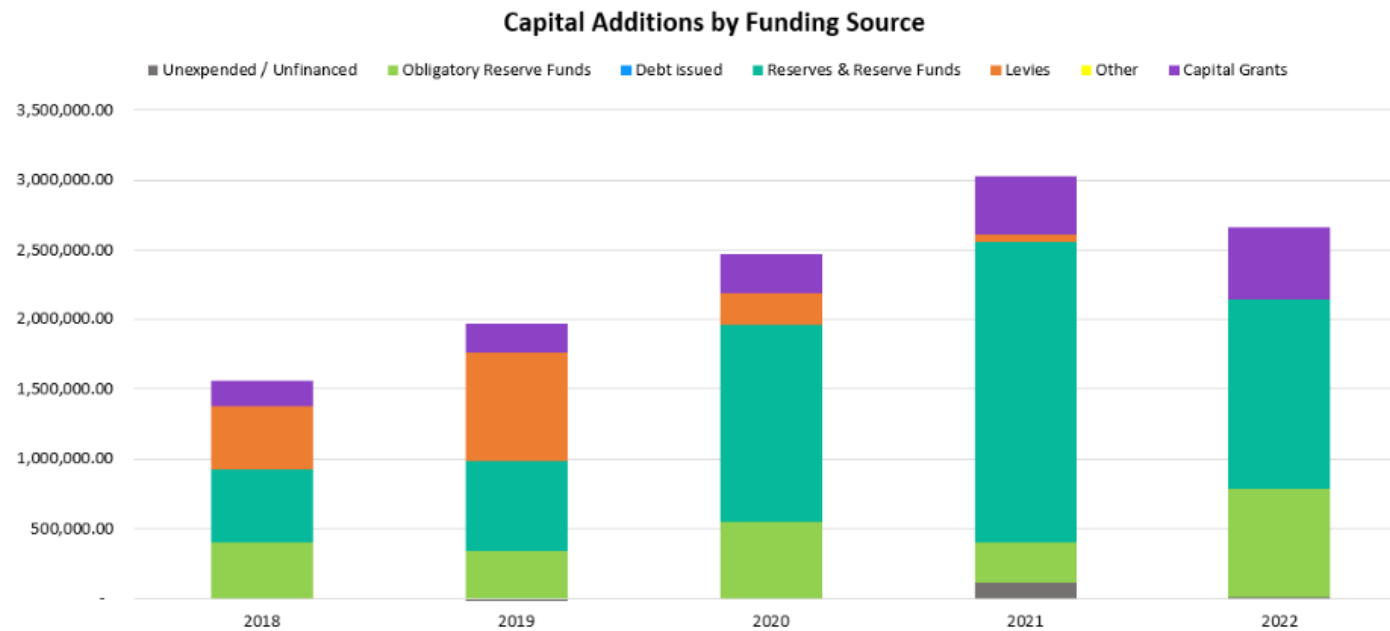
Tangible Capital Assets



Tangible Capital Assets



Tangible Capital Assets



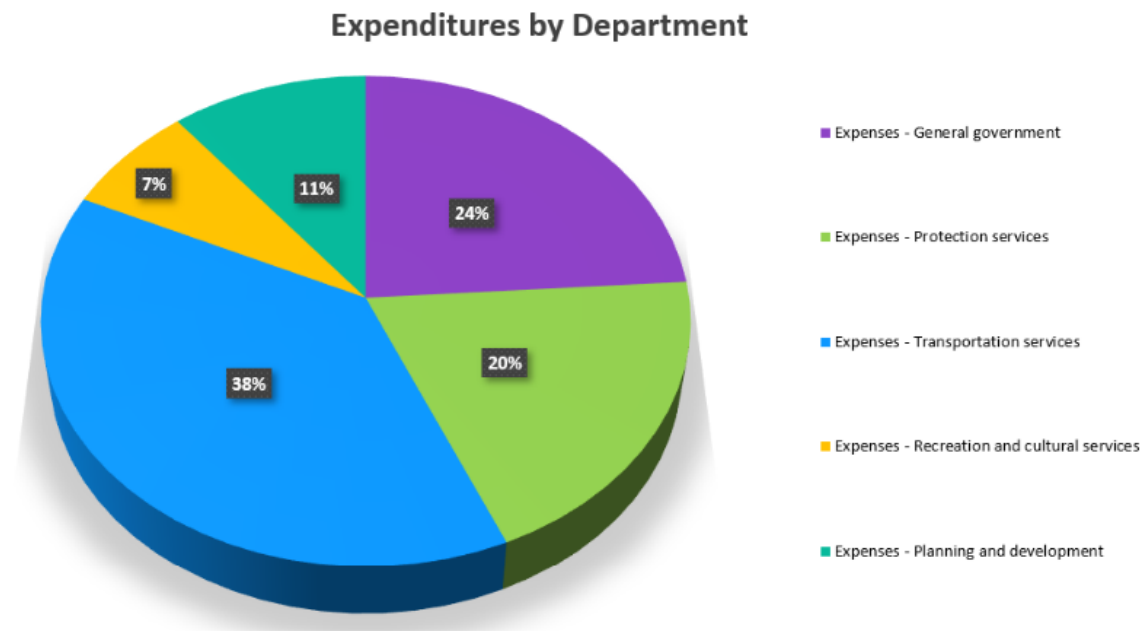
Statement of Operations

- The Statement of Operations reports the revenues less expenses resulting in the annual surplus of the municipality
- Key areas:
 - Budget vs. actual results
 - Expenditures by department
 - Annual surplus
 - Accumulated surplus

Statement of Operations

	2022 Budget (note 8)	2022	2021
REVENUES (schedule 3)			
Taxation	\$ 4,974,346	\$ 5,058,173	\$ 4,617,842
Fees and user charges	336,532	387,116	427,012
Government transfers (note 9)	1,699,626	1,442,009	1,508,454
Other income (note 10)	1,867,523	2,239,624	1,824,722
	<u>8,878,027</u>	<u>9,126,922</u>	<u>8,378,030</u>
EXPENSES (schedule 3)			
General government	1,845,758	1,845,827	1,570,401
Protection services	1,327,253	1,507,205	1,303,865
Transportation services	2,671,349	2,961,622	2,716,988
Recreation and cultural services	582,134	564,919	446,455
Planning and development	867,965	829,086	748,829
	<u>7,294,459</u>	<u>7,708,659</u>	<u>6,786,538</u>
ANNUAL SURPLUS	1,583,568	1,418,263	1,591,492
ACCUMULATED SURPLUS, beginning of year	<u>27,624,825</u>	<u>27,624,825</u>	<u>26,033,333</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 29,208,393</u>	<u>\$ 29,043,088</u>	<u>\$ 27,624,825</u>

Expenditures by Department



Expenditures by Department

	2018	2019	2020	2021	2022
Expenses - General government	22.7%	21.6%	20.4%	23.1%	23.9%
Expenses - Protection services	19.0%	19.0%	18.4%	19.2%	19.6%
Expenses - Transportation services	39.5%	40.2%	43.0%	40.0%	38.4%
Expenses - Recreation and cultural services	7.8%	7.7%	6.6%	6.6%	7.3%
Expenses - Planning and development	11.0%	11.6%	11.7%	11.0%	10.8%

Statement of Changes in Net Financial Assets

- The Statement of Changes in Net Financial Assets reconciles the annual surplus to the change in net financial assets, removing the activity of the non-financial assets

Statement of Changes in Net Financial Assets

	2022 Budget (note 8)	2022	2021
ANNUAL SURPLUS	\$ <u>1,583,568</u>	\$ <u>1,418,263</u>	\$ <u>1,591,492</u>
Acquisition of tangible capital assets	(4,373,449)	(2,665,851)	(3,030,611)
Amortization of tangible capital assets	1,477,772	1,572,050	1,477,772
(Gain) loss on sale of tangible capital assets	0	(40,990)	168,122
Proceeds on disposal of tangible capital assets	<u>0</u>	<u>40,991</u>	<u>140,365</u>
	<u>(2,895,677)</u>	<u>(1,093,800)</u>	<u>(1,244,352)</u>
Change in prepaid expenses	<u>0</u>	<u>(1,550)</u>	<u>0</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(1,312,109)	322,913	347,140
NET FINANCIAL ASSETS, beginning of year	<u>6,372,942</u>	<u>6,372,942</u>	<u>6,025,802</u>
NET FINANCIAL ASSETS, end of year	\$ <u><u>5,060,833</u></u>	\$ <u><u>6,695,855</u></u>	\$ <u><u>6,372,942</u></u>

Statement of Cash Flows

- The Statement of Cash Flows breaks down the change in cash equivalents through the year between operating and capital sources

Statement of Cash Flows

	2022	2021
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ 1,418,263	\$ 1,591,492
Items not requiring an outlay of cash		
Change in post-employment benefits	(8,184)	(10,141)
Amortization of tangible capital assets	1,572,050	1,477,772
(Gain) loss on sale of tangible capital assets	(40,990)	168,122
	<u>2,941,139</u>	<u>3,227,245</u>
Changes in non-cash working capital		
Taxes receivable	(299,971)	329,284
Accounts receivable	95,304	66,207
Prepaid expenses	(1,550)	0
Accounts payable and accrued liabilities	191,483	(372,520)
Grading deposits	(4,500)	(5,000)
Security deposits	(4,104)	(188,872)
Entrance permit deposits	6,000	0
Deferred revenue	(244,427)	979,406
	<u>2,679,374</u>	<u>4,035,750</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(2,665,851)	(3,030,611)
Proceeds on disposal of tangible capital assets	40,991	140,365
	<u>(2,624,860)</u>	<u>(2,890,246)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,514	1,145,504
NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>9,278,025</u>	<u>8,132,521</u>
NET CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 9,332,539</u>	<u>\$ 9,278,025</u>

Schedule of Accumulated Surplus

- The Schedule of Accumulated Surplus (Schedule 2) shows the various sources of the accumulated surplus, including reserves
- Reserves shown are amounts set aside by the municipality for specific purposes

Schedule of Accumulated Surplus

	2022	2021
SURPLUSES		
Invested in tangible capital assets	\$ 22,345,683	\$ 21,251,883
Unfunded post-employment benefits	(74,035)	(82,219)
General surplus	44,019	569,206
Barber's Beach street lighting area	810	1,448
Cambridge fire area	2,224	1,682
	<u>22,318,701</u>	<u>21,742,000</u>
RESERVES		
Working funds	630,411	649,754
Contingencies	326,022	316,022
Asset management	4,474,174	3,613,507
Operating purposes	802,581	839,435
Capital purposes	491,199	464,107
	<u>6,724,387</u>	<u>5,882,825</u>
ACCUMULATED SURPLUS	<u>\$ 29,043,088</u>	<u>\$ 27,624,825</u>

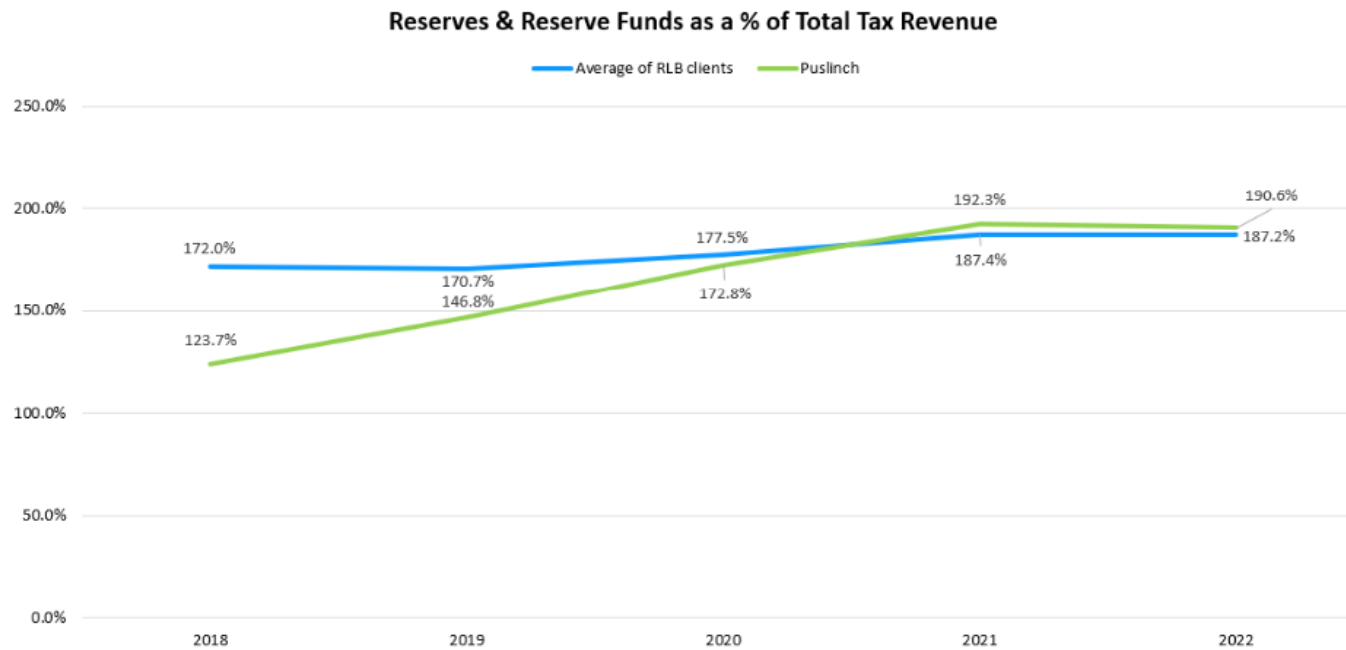
Deferred Revenue

- The deferred revenue note reconciles the activity within obligatory reserve funds and other deferred items
- Deferred revenue is revenue received that has not yet been spent
- Obligatory reserve funds are deferred revenue that the municipality is required by law, regulation or the funding agreement that a reserve fund be utilized

Deferred Revenue

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory reserve funds					
Development charges	\$ 1,637,127	\$ 190,402	\$ 37,502	\$(349,962)	\$ 1,515,069
Federal gas tax	388,688	232,662	7,266	(406,579)	222,037
Recreational land	913,845	256,000	24,213	(72,691)	1,121,367
Stormwater perpetual maintenance	59,188	0	0	0	59,188
	<u>2,998,848</u>	<u>679,064</u>	<u>68,981</u>	<u>\$(829,232)</u>	<u>2,917,661</u>
Other					
Taxation	383,984	304,800	0	(383,984)	304,800
Recreation	39,149	47,000	0	(39,149)	47,000
Building permits	109,933	18,026	0	(109,933)	18,026
	<u>533,066</u>	<u>369,826</u>	<u>0</u>	<u>\$(533,066)</u>	<u>369,826</u>
	<u>\$ 3,531,914</u>	<u>\$ 1,048,890</u>	<u>\$ 68,981</u>	<u>\$(1,362,298)</u>	<u>\$ 3,287,487</u>

Reserve & Reserve Funds



Next Steps

Council and management to communicate any changes to representations given throughout the audit process or any awareness of fraud up to the date of financial statement approval

Approval of financial statements by Council

Receipt of signed management representation letter

Township's submission of Financial Information Return (FIR)

A woman with voluminous curly brown hair, wearing a bright yellow sweater, is seated at a desk. She is looking at a silver laptop with a thoughtful expression, her hand resting on her chin. The background is a bright, modern kitchen with a white countertop, a sink, and several potted plants, including purple and pink flowers. A large blue rounded rectangle is overlaid on the right side of the image.

Questions?

Thank you!



Find Us Online



@RLB LLP



@rlbllp



@RLBLLP



@RLB LLP

rlb.ca

