

Township of Puslinch

2024 Financial Statements

Presented by Murray Short

TOWNSHIP OF
PUSLINCH
EST. 1850



AGENDA

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

Audit Overview

- Final materiality = \$260,000
- 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
- Four adjusting entries provided to us by township finance staff
- 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

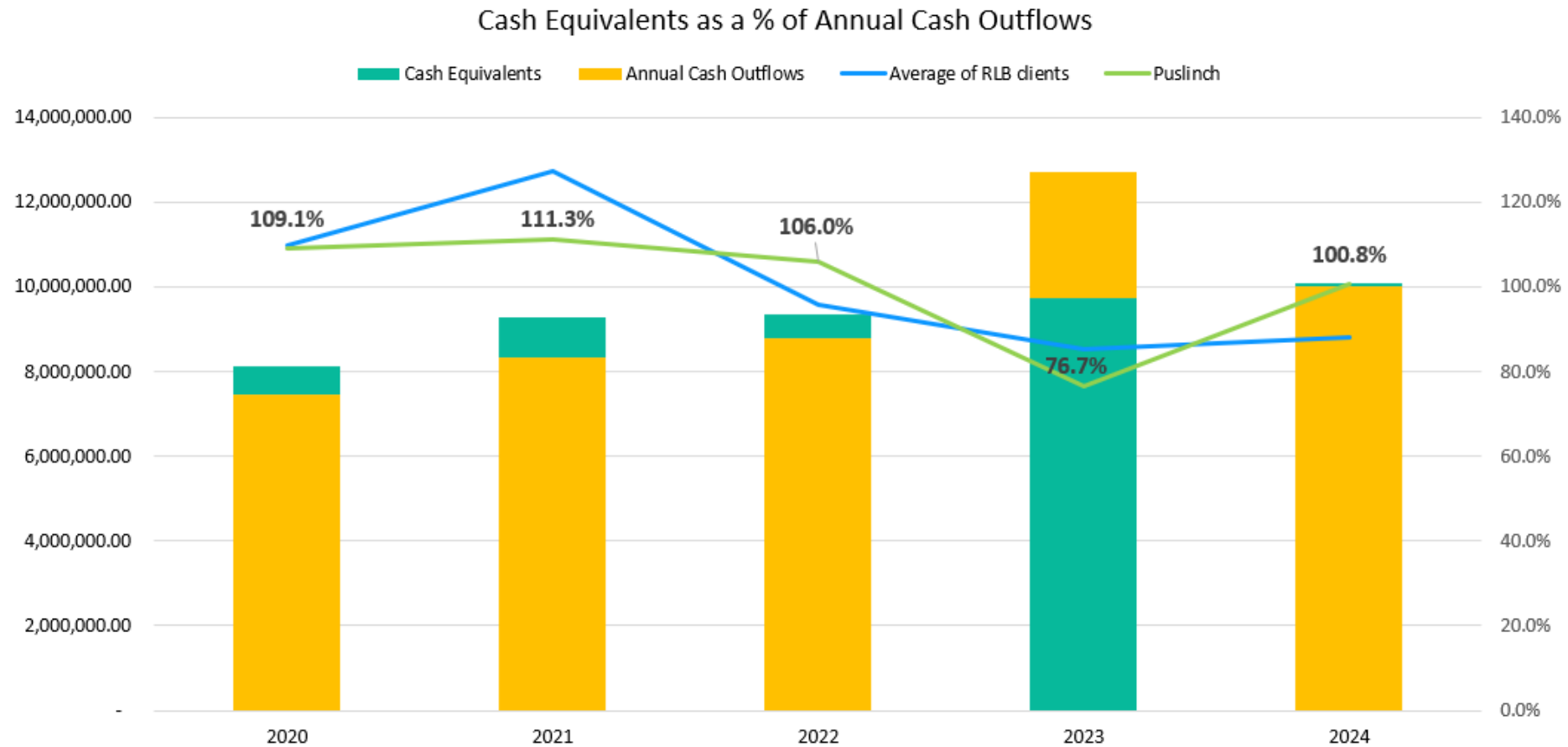
Statement of Financial Position

- 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

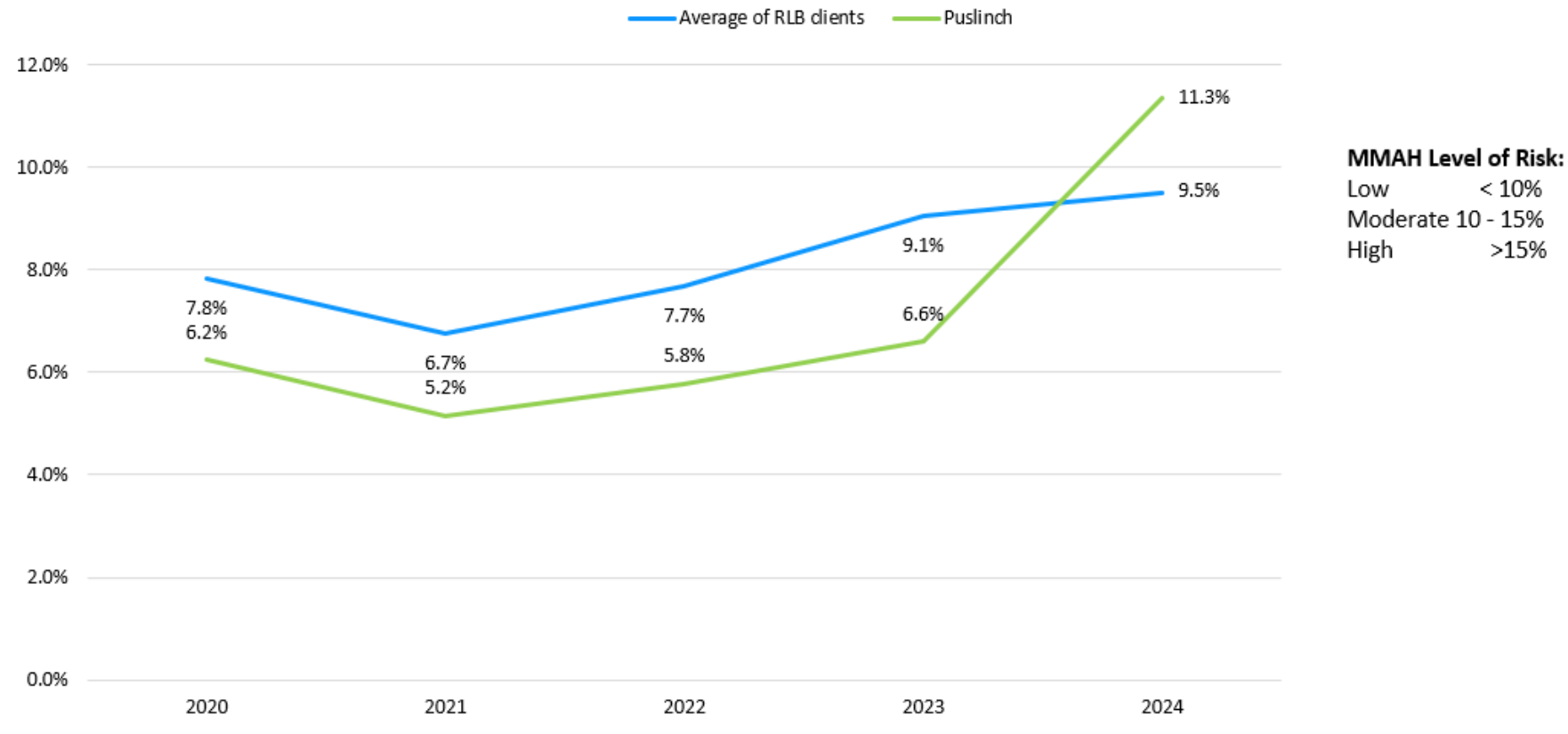
	2024	2023
FINANCIAL ASSETS		
Cash (note 3)	\$ 4,033,119	\$ 6,108,158
Portfolio investments (note 4)	6,059,079	3,632,218
Taxes receivable	3,946,188	2,044,718
Accounts receivable	803,016	2,235,460
	<u>14,841,402</u>	<u>14,020,554</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,139,840	1,240,080
Grading deposits	28,500	30,500
Security deposits	632,398	715,176
Post-employment benefits (note 5)	66,745	67,883
Entrance permit deposits and haul route/site alteration permit deposits	57,000	4,000
Deferred revenue (note 6)	4,683,465	4,618,469
	<u>6,607,948</u>	<u>6,676,108</u>
NET FINANCIAL ASSETS	<u>8,233,454</u>	<u>7,344,446</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	<u>26,928,328</u>	<u>26,413,319</u>
ACCUMULATED SURPLUS (schedule 2)	<u>\$ 35,161,782</u>	<u>\$ 33,757,765</u>

Cash Equivalents

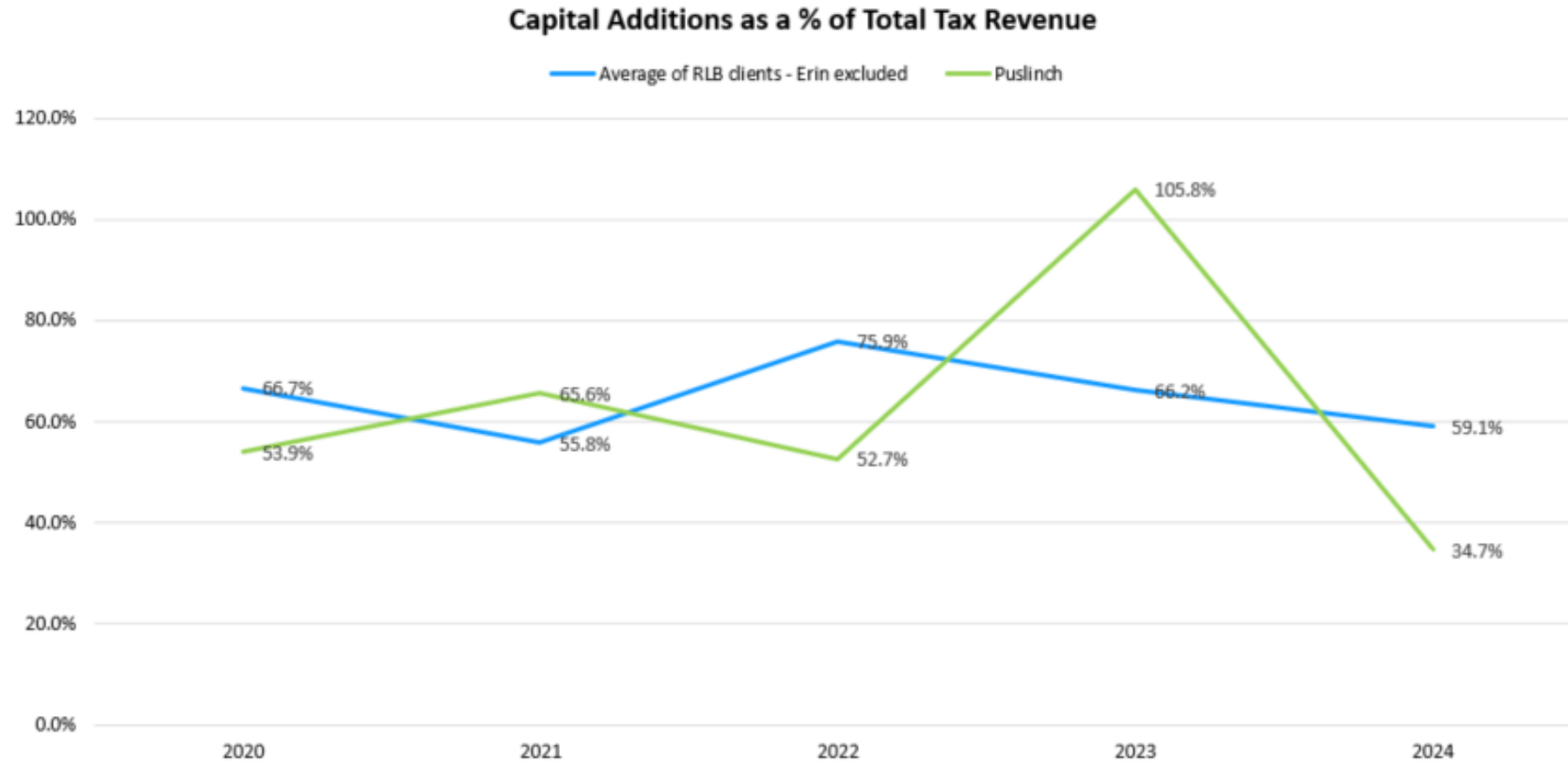


Taxes Receivable

Taxes Receivable as a % of Total Tax Levied

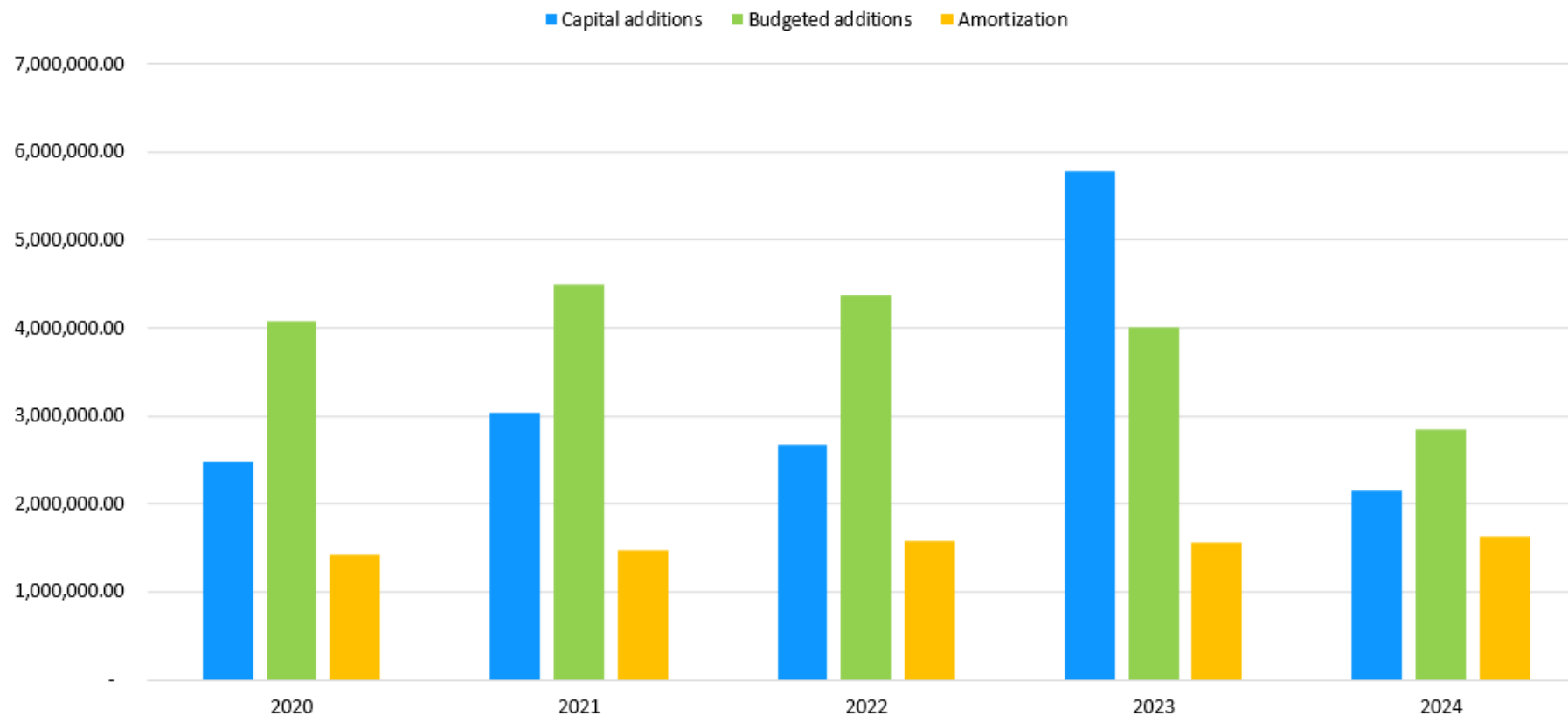


Tangible Capital Assets



Tangible Capital Assets

Capital Additions vs. Budget vs. Amortization



Tangible Capital Assets

Capital Additions by Funding Source



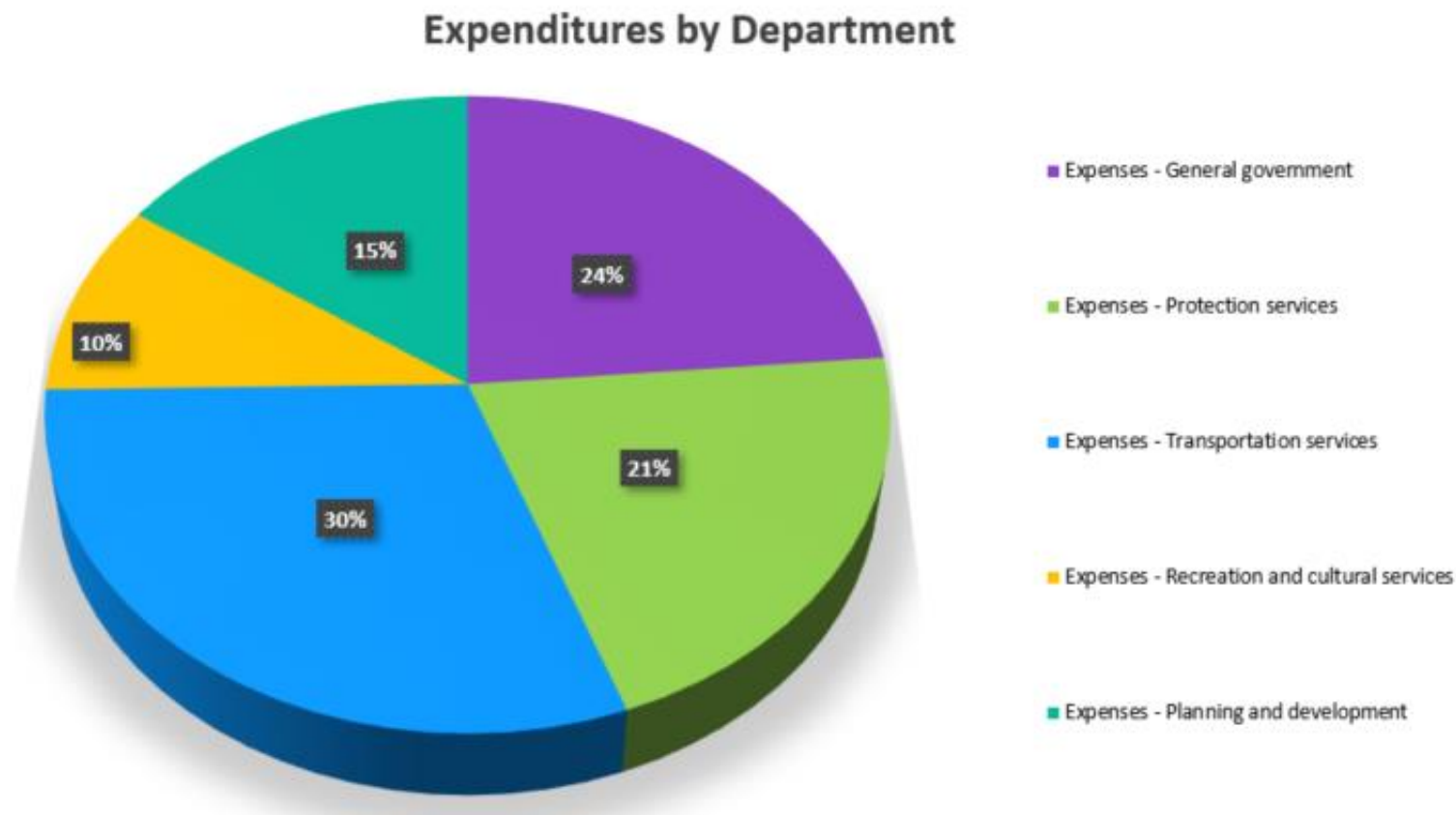
Statement of Operations

- 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

	2024 Budget (note 8)	2024	2023 (note 2)
REVENUES (schedule 3)			
Taxation	\$ 5,919,699	\$ 6,228,418	\$ 5,458,896
Fees and user charges	452,663	721,646	733,896
Government transfers (note 9)	1,158,914	1,125,993	2,902,223
Other income (note 10)	<u>2,233,175</u>	<u>2,809,227</u>	<u>4,103,112</u>
	<u>9,764,451</u>	<u>10,885,284</u>	<u>13,198,127</u>
EXPENSES (schedule 3)			
General government	3,063,808	2,242,584	1,951,818
Protection services	1,672,095	1,967,274	1,598,631
Transportation services	3,191,056	2,875,732	2,968,033
Recreation and cultural services	819,965	931,322	752,471
Planning and development	<u>1,273,756</u>	<u>1,464,355</u>	<u>1,212,497</u>
	<u>10,020,680</u>	<u>9,481,267</u>	<u>8,483,450</u>
ANNUAL (DEFICIT) SURPLUS	(256,229)	1,404,017	4,714,677
ACCUMULATED SURPLUS, beginning of year	<u>33,757,765</u>	<u>33,757,765</u>	<u>29,043,088</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 33,501,536</u>	<u>\$ 35,161,782</u>	<u>\$ 33,757,765</u>

Expenditures by Department



Expenditures by Department

	2020	2021	2022	2023	2024
Expenses - General government	20.4%	23.1%	23.9%	23.0%	23.7%
Expenses - Protection services	18.4%	19.2%	19.6%	18.8%	20.7%
Expenses - Transportation services	43.0%	40.0%	38.4%	35.0%	30.3%
Expenses - Recreation and cultural services	6.6%	6.6%	7.3%	8.9%	9.8%
Expenses - Planning and development	11.7%	11.0%	10.8%	14.3%	15.4%

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

	2024 Budget (note 7)	2024	2023
ANNUAL SURPLUS	\$ <u>(256,229)</u>	\$ <u>1,404,017</u>	\$ <u>4,714,677</u>
Acquisition of tangible capital assets	(2,842,797)	(2,158,758)	(5,776,317)
Amortization of tangible capital assets	1,555,947	1,625,173	1,555,947
Loss on sale of tangible capital assets	<u>0</u>	<u>18,576</u>	<u>152,734</u>
	<u>(1,286,850)</u>	<u>(515,009)</u>	<u>(4,067,636)</u>
Change in prepaid expenses	<u>0</u>	<u>0</u>	<u>1,550</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(1,543,079)	889,008	648,591
NET FINANCIAL ASSETS, beginning of year	<u>7,344,446</u>	<u>7,344,446</u>	<u>6,695,855</u>
NET FINANCIAL ASSETS, end of year	\$ <u><u>5,801,367</u></u>	\$ <u><u>8,233,454</u></u>	\$ <u><u>7,344,446</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

	2024	2023 (note 2)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ 1,404,017	\$ 4,714,677
Items not requiring an outlay of cash		
Change in post-employment benefits	(1,138)	(6,152)
Amortization of tangible capital assets	1,625,173	1,555,947
Loss on sale of tangible capital assets	18,576	152,734
Accrued interest on portfolio investments	<u>(140,756)</u>	<u>(70,356)</u>
	2,905,872	6,346,850
Changes in non-cash working capital		
Taxes receivable	(1,901,470)	(373,933)
Accounts receivable	1,432,444	(1,657,731)
Prepaid expenses	0	1,550
Accounts payable and accrued liabilities	(100,240)	608,677
Grading deposits	(2,000)	(3,500)
Security deposits	(82,778)	(137,097)
Entrance permit deposits and haul route/site alteration permit deposits	53,000	(2,000)
Deferred revenue	<u>64,996</u>	<u>1,330,982</u>
	<u>2,369,824</u>	<u>6,113,798</u>
CASH USED IN CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(2,158,758)	(5,776,317)
Portfolio investment purchases net of redemptions	<u>(2,286,105)</u>	<u>(46,582)</u>
	<u>(4,444,863)</u>	<u>(5,822,899)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,075,039)	290,899
NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,108,158</u>	<u>5,817,259</u>
NET CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,033,119</u>	<u>\$ 6,108,158</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

	2024	2023
SURPLUSES		
Invested in tangible capital assets	\$ 26,928,328	\$ 26,413,319
Unfunded post-employment benefits	(66,745)	(67,883)
General surplus	29,907	28,203
Barber's Beach street lighting area	282	331
Cambridge fire area	1,545	2,038
	<u>26,893,317</u>	<u>26,376,008</u>
RESERVES		
Working funds	562,675	633,889
Contingencies	308,926	345,182
Asset management	4,846,336	4,193,747
Operating purposes	1,341,681	1,470,430
Capital purposes	1,208,847	738,509
	<u>8,268,465</u>	<u>7,381,757</u>
ACCUMULATED SURPLUS	<u>\$ 35,161,782</u>	<u>\$ 33,757,765</u>

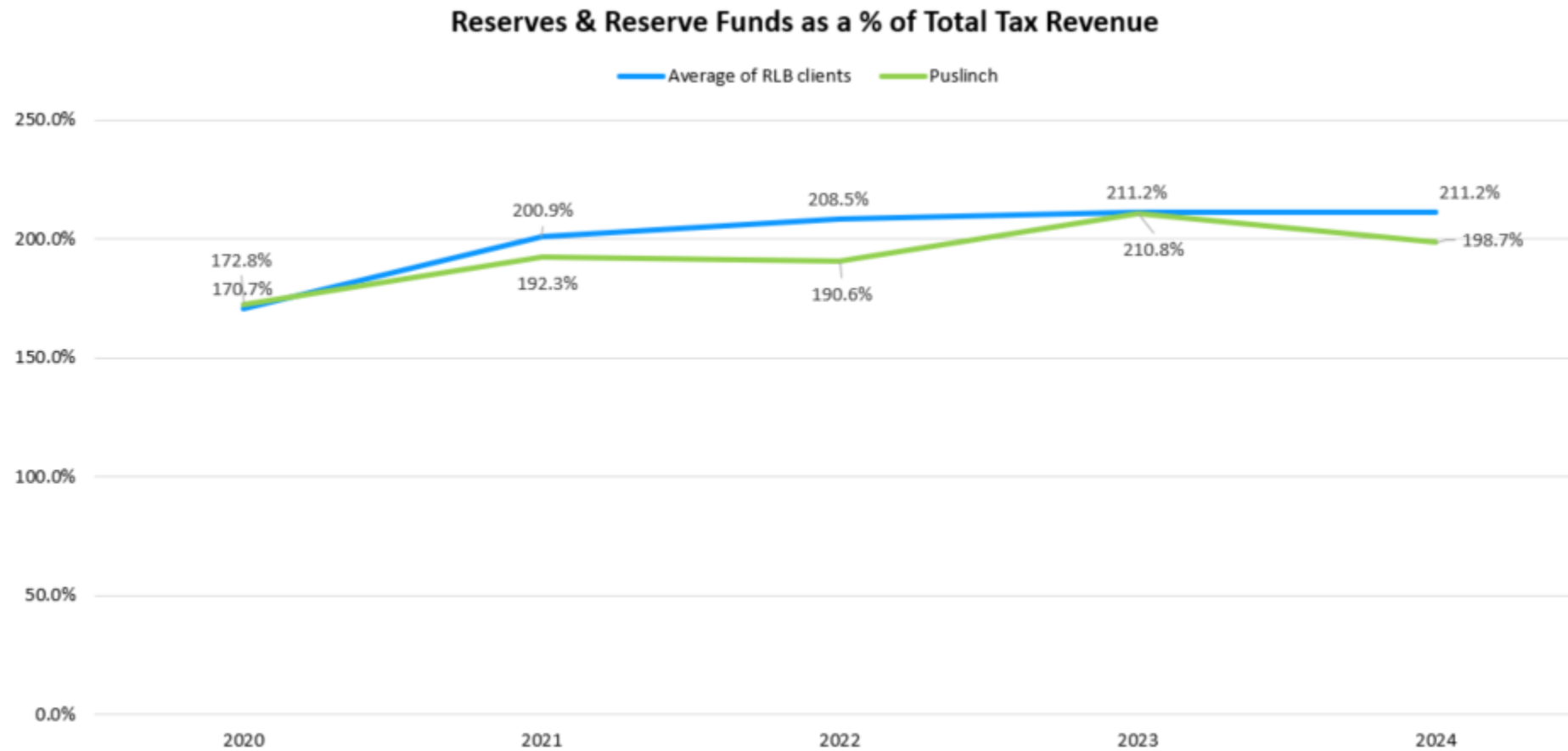
Deferred Revenue

- 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	\$ 2,766,632	\$ 134,253	\$ 157,785	\$(499,403)	\$ 2,559,267
Federal Canada Community-Building Fund	101,582	253,385	7,291	(217,729)	144,529
Recreational land	1,199,862	291,730	75,346	(223,556)	1,343,382
Stormwater perpetual maintenance	<u>59,188</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>59,188</u>
	<u>4,127,264</u>	<u>679,368</u>	<u>240,422</u>	<u>(940,688)</u>	<u>4,106,366</u>
Other					
Taxation	349,286	451,584	0	(349,286)	451,584
Recreation	60,417	55,988	0	(60,417)	55,988
Building permits	<u>81,502</u>	<u>69,527</u>	<u>0</u>	<u>(81,502)</u>	<u>69,527</u>
	<u>491,205</u>	<u>577,099</u>	<u>0</u>	<u>(491,205)</u>	<u>577,099</u>
	<u>\$ 4,618,469</u>	<u>\$ 1,256,467</u>	<u>\$ 240,422</u>	<u>\$ (1,431,893)</u>	<u>\$ 4,683,465</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)

Questions?

Thank you!



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