

Township of Puslinch

2025 Financial Statements

Presented by Murray Short

TOWNSHIP OF
PUSLINCH
EST. 1850





AGENDA

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

Audit Overview

- Final materiality = \$280,000
- 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 provided to us by township finance staff
- One minor entry to balance opening surplus to prior year financial statements
- Three 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

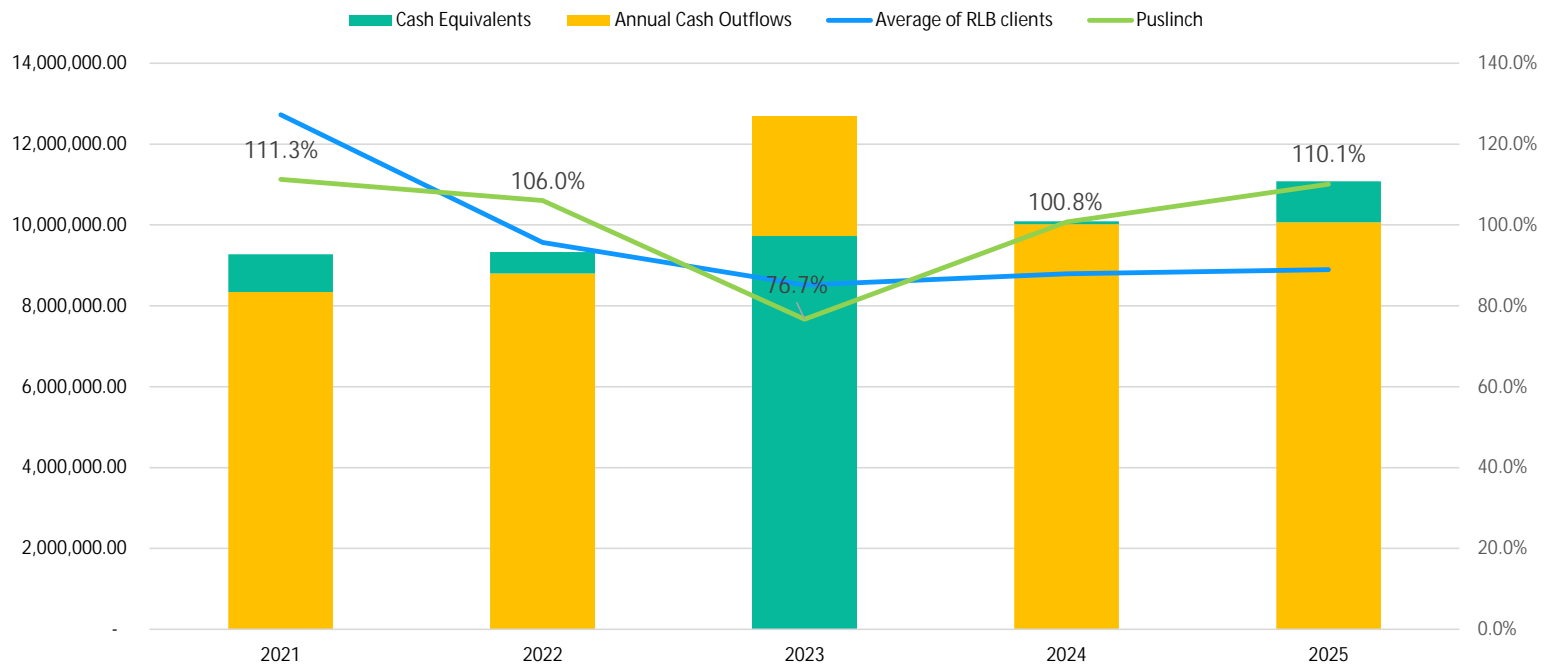
- The Statement of Financial Position (similar to a Balance Sheet for non-public entities) is a snapshot of the municipality's assets, liabilities and accumulated surplus at a point in time
- Key areas:
 - Cash equivalents (cash and portfolio investments)
 - Taxes receivable
 - Tangible capital assets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

Statement of Financial Position

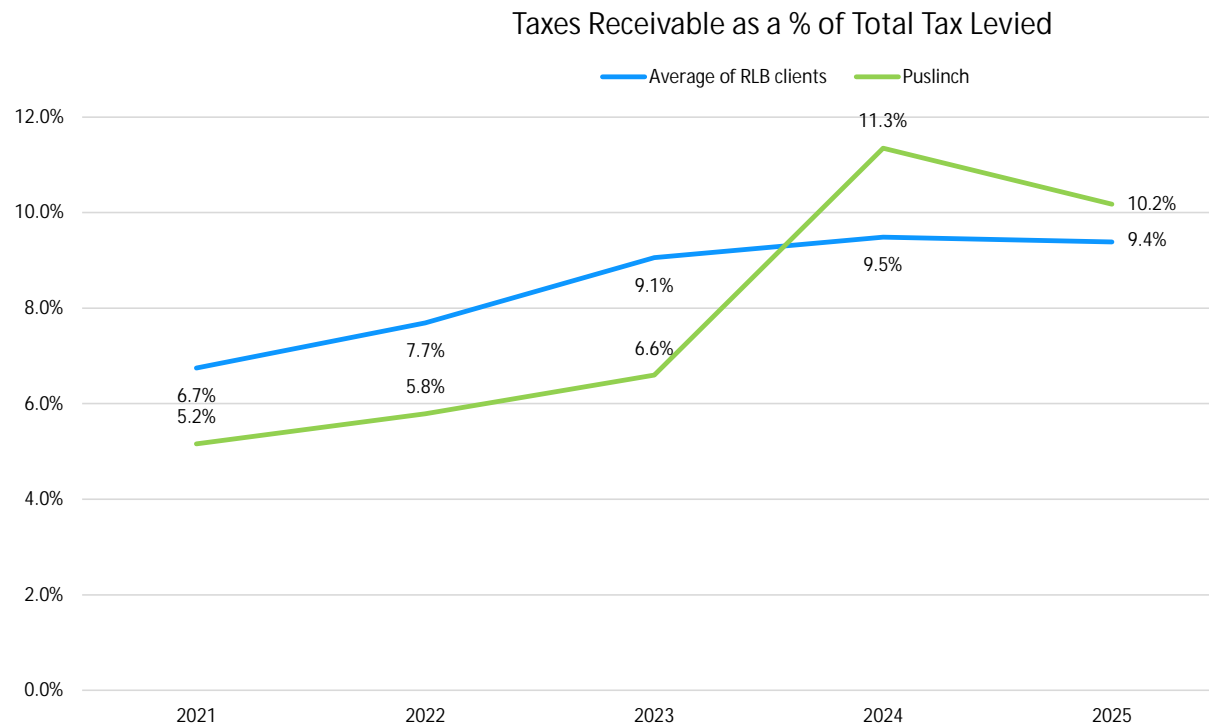
	2025	2024
FINANCIAL ASSETS		
Cash (note 3)	\$ 5,269,796	\$ 4,033,119
Portfolio investments (note 4)	5,808,920	6,059,079
Taxes receivable	3,413,478	3,946,188
Accounts receivable	<u>668,019</u>	<u>803,016</u>
	<u>15,160,213</u>	<u>14,841,402</u>
LIABILITIES		
Accounts payable and accrued liabilities	935,214	1,139,840
Grading deposits	0	28,500
Security deposits	609,285	632,398
Post-employment benefits (note 5)	65,882	66,745
Entrance permit deposits and haul route/site alteration permit deposits	102,210	57,000
Deferred revenue (note 6)	<u>4,427,363</u>	<u>4,683,465</u>
	<u>6,139,954</u>	<u>6,607,948</u>
NET FINANCIAL ASSETS	<u>9,020,259</u>	<u>8,233,454</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	<u>27,408,895</u>	<u>26,928,328</u>
ACCUMULATED SURPLUS (schedule 2)	<u>\$ 36,429,154</u>	<u>\$ 35,161,782</u>

Cash Equivalents

Cash Equivalents as a % of Annual Cash Outflows

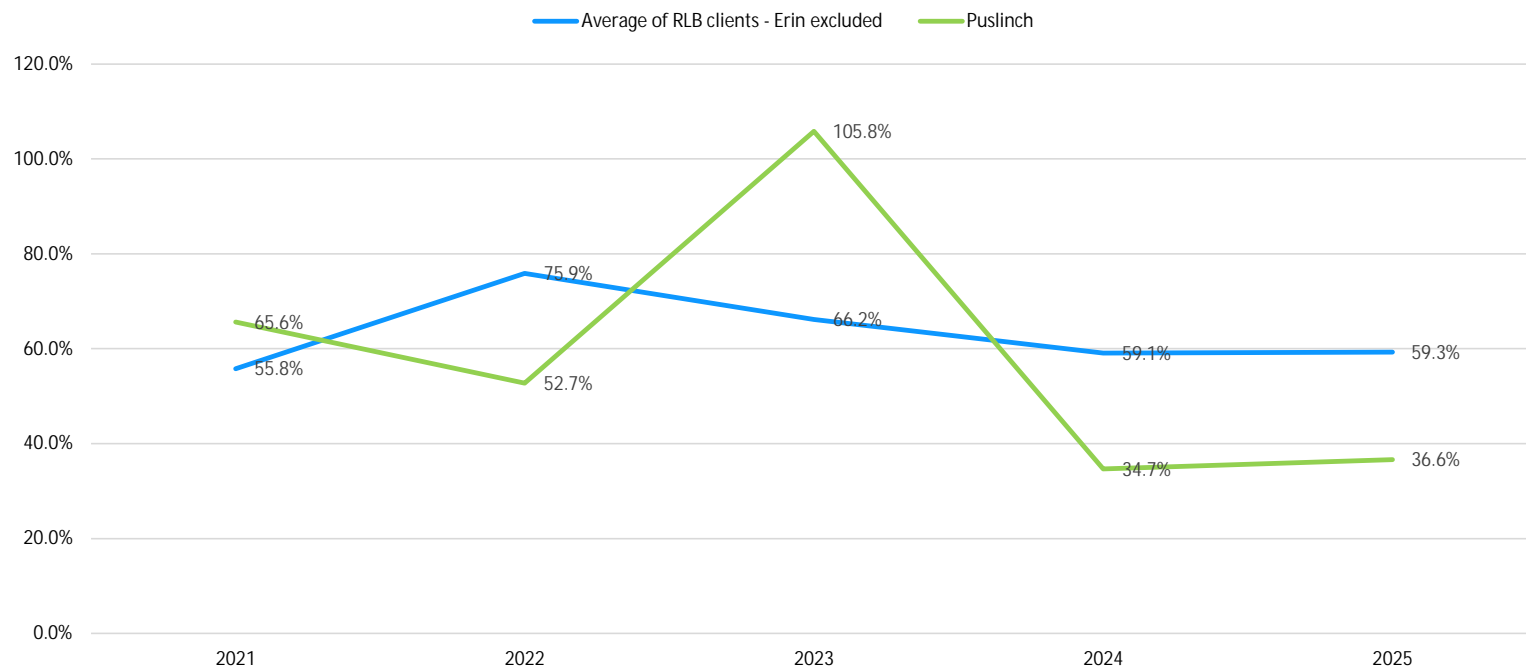


Taxes Receivable



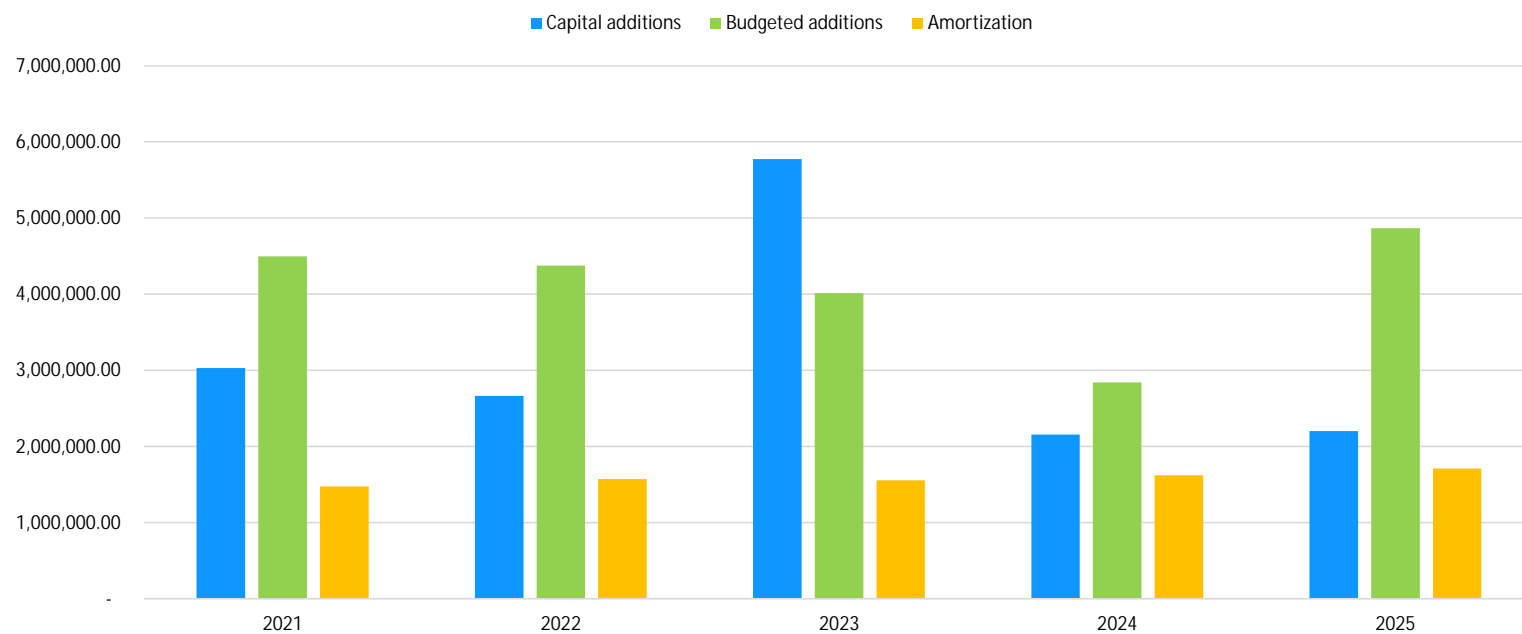
Tangible Capital Assets

Capital Additions as a % of Total Tax Revenue



Tangible Capital Assets

Capital Additions vs. Budget vs. Amortization



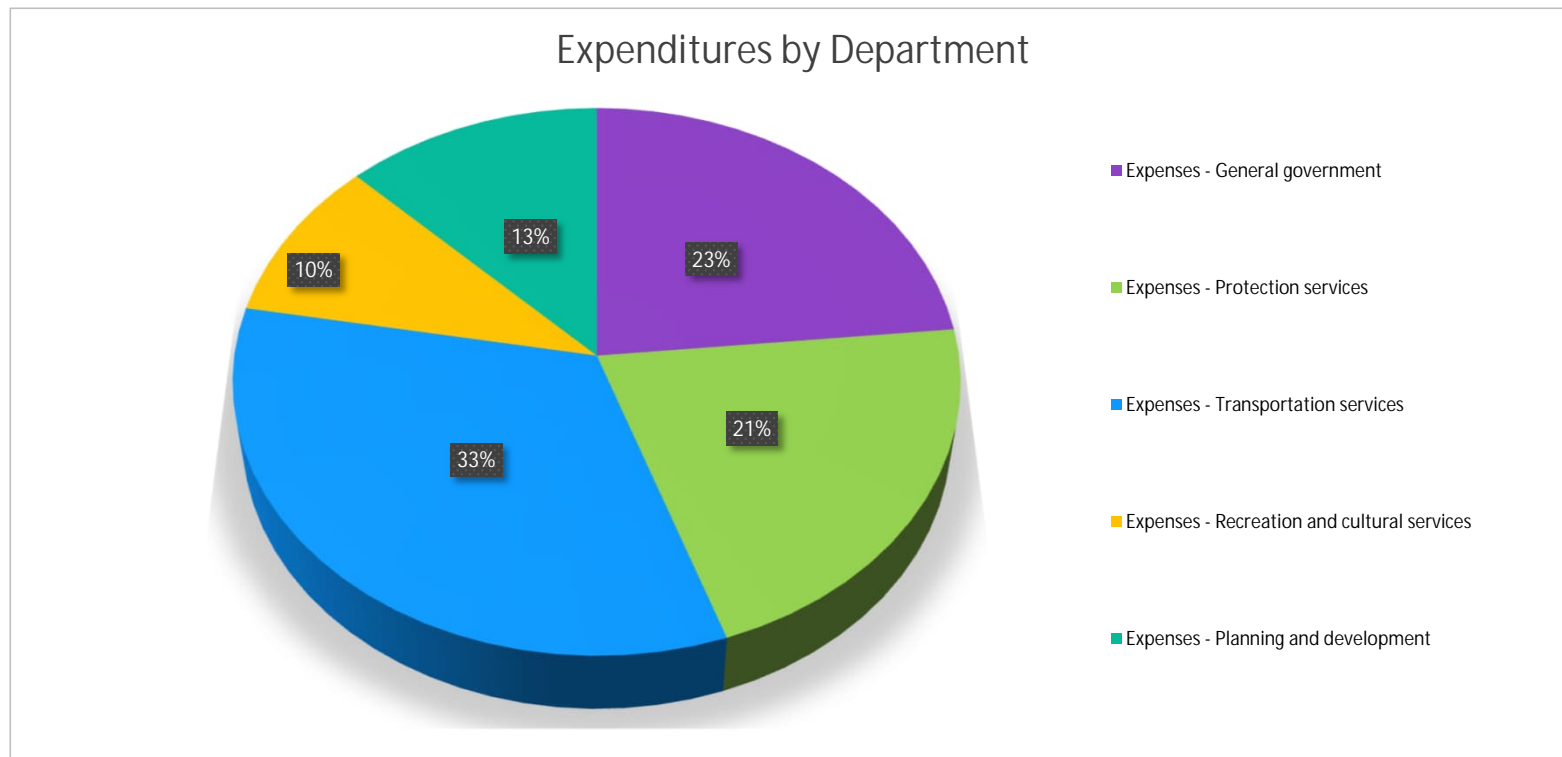
Statement of Operations

- 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

	2025 Budget (note 8)	2025	2024
REVENUES (schedule 3)			
Taxation	\$ 6,117,170	\$ 6,010,124	\$ 6,228,418
Fees and user charges	502,218	694,946	721,646
Government transfers (note 9)	1,125,976	1,298,181	1,125,993
Other income (note 10)	<u>3,398,287</u>	<u>2,836,588</u>	<u>2,809,227</u>
	<u>11,143,651</u>	<u>10,839,839</u>	<u>10,885,284</u>
EXPENSES (schedule 3)			
General government	2,187,647	2,243,305	2,242,584
Protection services	1,919,107	2,037,039	1,967,274
Transportation services	2,948,563	3,171,275	2,875,732
Recreation and cultural services	967,579	922,156	931,322
Planning and development	<u>1,453,732</u>	<u>1,198,692</u>	<u>1,464,355</u>
	<u>9,476,628</u>	<u>9,572,467</u>	<u>9,481,267</u>
ANNUAL SURPLUS	1,667,023	1,267,372	1,404,017
ACCUMULATED SURPLUS, beginning of year	<u>35,161,782</u>	<u>35,161,782</u>	<u>33,757,765</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 36,828,805</u>	<u>\$ 36,429,154</u>	<u>\$ 35,161,782</u>

Expenditures by Department



Expenditures by Department

	2021	2022	2023	2024	2025
Expenses - General government	23.1%	23.9%	23.0%	23.7%	23.4%
Expenses - Protection services	19.2%	19.6%	18.8%	20.7%	21.3%
Expenses - Transportation services	40.0%	38.4%	35.0%	30.3%	33.1%
Expenses - Recreation and cultural services	6.6%	7.3%	8.9%	9.8%	9.6%
Expenses - Planning and development	11.0%	10.8%	14.3%	15.4%	12.5%

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

	2025 Budget (note 8)	2025	2024
ANNUAL SURPLUS	\$ <u>1,667,023</u>	\$ <u>1,267,372</u>	\$ <u>1,404,017</u>
Acquisition of tangible capital assets	(4,866,745)	(2,202,062)	(2,158,758)
Amortization of tangible capital assets	1,625,173	1,711,572	1,625,173
Loss on sale of tangible capital assets	<u>0</u>	<u>9,923</u>	<u>18,576</u>
	<u>(3,241,572)</u>	<u>(480,567)</u>	<u>(515,009)</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(1,574,549)	786,805	889,008
NET FINANCIAL ASSETS, beginning of year	<u>8,233,454</u>	<u>8,233,454</u>	<u>7,344,446</u>
NET FINANCIAL ASSETS, end of year	<u>\$ 6,658,905</u>	<u>\$ 9,020,259</u>	<u>\$ 8,233,454</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

	2025	2024 (note 2)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ 1,267,372	\$ 1,404,017
Items not requiring an outlay of cash		
Change in post-employment benefits	(863)	(1,138)
Amortization of tangible capital assets	1,711,572	1,625,173
Loss on sale of tangible capital assets	9,923	18,576
Accrued interest on portfolio investments	<u>(194,448)</u>	<u>(140,756)</u>
	2,793,556	2,905,872
Changes in non-cash working capital		
Taxes receivable	532,710	(1,901,470)
Accounts receivable	134,997	1,432,444
Accounts payable and accrued liabilities	(204,626)	(100,240)
Grading deposits	(28,500)	(2,000)
Security deposits	(23,113)	(82,778)
Entrance permit deposits and haul route/site alteration permit deposits	45,210	53,000
Deferred revenue	<u>(256,102)</u>	<u>64,996</u>
	<u>2,994,132</u>	<u>2,369,824</u>
CASH USED IN CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	<u>(2,202,062)</u>	<u>(2,158,758)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Portfolio investment redemptions net of purchases (purchases net of redemptions)	<u>444,607</u>	<u>(2,286,105)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	1,236,677	(2,075,039)
NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		
	<u>4,033,119</u>	<u>6,108,158</u>
NET CASH AND CASH EQUIVALENTS, END OF YEAR		
	<u>\$ 5,269,796</u>	<u>\$ 4,033,119</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

	2025	2024
SURPLUSES		
Invested in tangible capital assets	\$ 27,408,895	\$ 26,928,328
Unfunded post-employment benefits	(65,882)	(66,745)
General surplus	264,054	29,907
Barber's Beach street lighting area	(1,256)	282
Cambridge fire area	3,783	1,545
	<u>27,609,594</u>	<u>26,893,317</u>
RESERVES		
Working funds	569,857	562,675
Contingencies	261,806	308,926
Asset management	5,328,176	4,846,336
Operating purposes	945,917	1,341,681
Capital purposes	1,713,804	1,208,847
	<u>8,819,560</u>	<u>8,268,465</u>
ACCUMULATED SURPLUS	<u>\$ 36,429,154</u>	<u>\$ 35,161,782</u>

Deferred Revenue

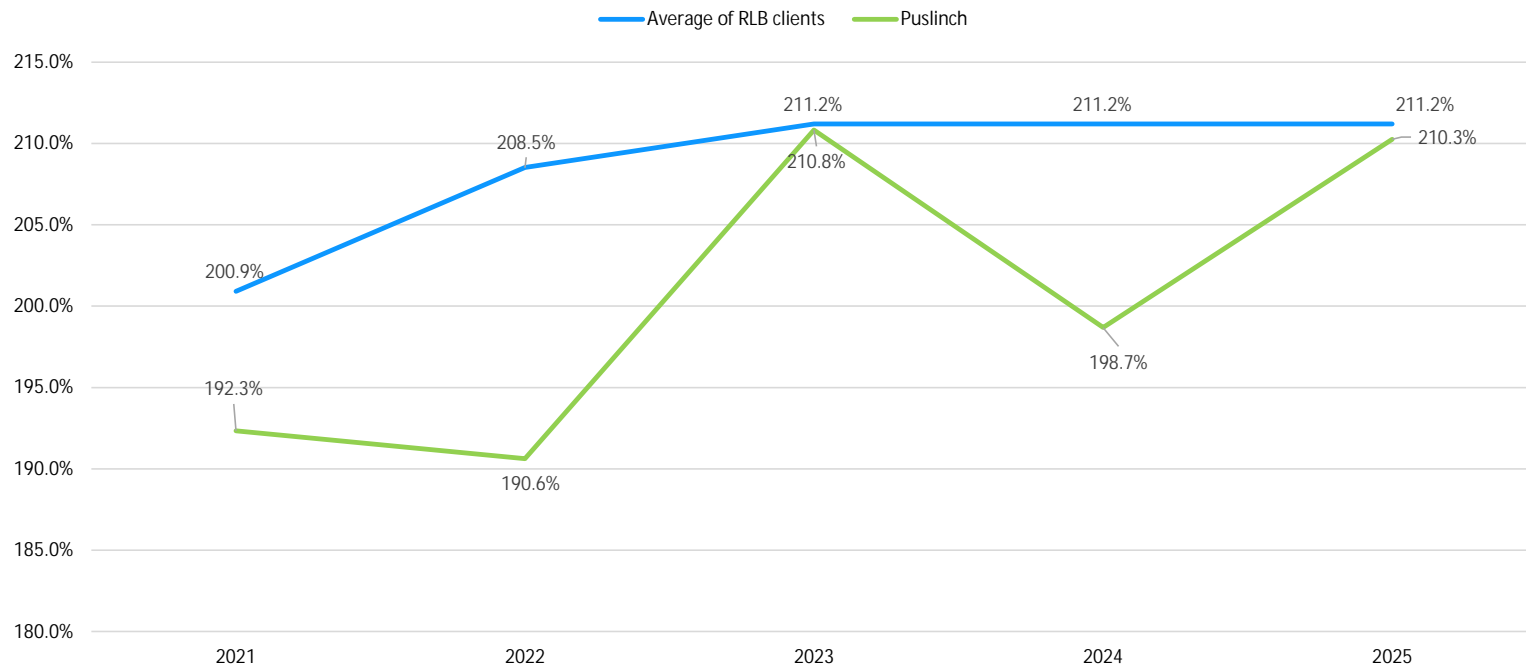
- The deferred revenue note reconciles the activity within obligatory reserve funds and other deferred items
- Deferred revenue is revenue received that has not yet been spent
- Obligatory reserve funds are deferred revenue that the municipality is required by law, regulation or the funding agreement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

Deferred Revenue

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory reserve funds					
Development charges Federal Canada	\$ 2,559,267	\$ 85,110	\$ 112,680	\$ (343,212)	\$ 2,413,845
Community-Building Fund	144,529	260,167	7,145	(241,008)	170,833
Recreational land	1,343,382	94,500	57,026	(321,463)	1,173,445
Stormwater perpetual maintenance	<u>59,188</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>59,188</u>
	<u>4,106,366</u>	<u>439,777</u>	<u>176,851</u>	<u>(905,683)</u>	<u>3,817,311</u>
Other					
Taxation	451,584	384,330	0	(451,584)	384,330
Recreation	55,988	46,415	0	(55,988)	46,415
Building permits	<u>69,527</u>	<u>179,307</u>	<u>0</u>	<u>(69,527)</u>	<u>179,307</u>
	<u>577,099</u>	<u>610,052</u>	<u>0</u>	<u>(577,099)</u>	<u>610,052</u>
	<u>\$ 4,683,465</u>	<u>\$ 1,049,829</u>	<u>\$ 176,851</u>	<u>\$ (1,482,782)</u>	<u>\$ 4,427,363</u>

Reserve & Reserve Funds

Reserves & Reserve Funds as a % of Total Tax Revenue



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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