



**Corporation Of The
Town Of Plympton-Wyoming**

**Financial Report
December 31, 2019**



Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Town of Plympton-Wyoming (the "Town") are the responsibility of the "Town's" management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The "Town's" management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of consolidated financial statements. These systems are monitored and evaluated by management.

The consolidated financial statements have been audited by Baker Tilly Sarnia LLP, independent external auditors and appointed by the "Town". The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the "Town's" consolidated financial statements.

Carolyn Tripp
Chief Administrative Officer

Norma Roddick-Preece
Treasurer

The Town of Plympton - Wyoming

Consolidated Financial Statements

For the Year Ended December 31, 2019

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Town Council

Mayor

Lonny Napper

Deputy Mayor

Muriel Wright

Councillors

Netty McEwen

Gary Atkinson

Tim Wilkins

Bob Woolvett

Mike Vasey

Town Administration

Chief Administrative Officer

Carolyn Tripp

Clerk

Erin Kwarciak

Treasurer

Norma Roddick-Preece

Deputy Treasurer / Tax Collector

Christine Joosten

Director of Public Works

Adam Sobanski

Director of Fire and Emergency Services

Steve Clemens

Independent Auditors' Report

**To The Members Of Council, Inhabitants and Ratepayers
Of The Corporation of the Town of Plympton-Wyoming***Opinion*

We have audited the financial statements of the Corporation of the Town of Plympton-Wyoming (the Municipality) which comprise the statement of financial position as at December 31, 2019 and the statements of operations and accumulated surplus, change 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 Municipality as at December 31, 2019 and the results of its financial activities, cash flows and change in net financial assets 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 Municipality 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 Municipality'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 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.

**Independent
Auditor's Report cont'd...**

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 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.



**Sarnia, Ontario
October 14, 2020**

**Chartered Professional Accountants
Licensed Public Accountants**

Corporation Of The Town Of Plympton-Wyoming
Consolidated Statement Of Financial Position
December 31, 2019

| | <u>2019</u> | <u>2018</u> |
|--|----------------------|----------------------|
| Assets | | |
| Financial Assets | | |
| Cash (note 3) | \$ 22,214,521 | \$ 18,072,361 |
| Accounts receivable | 689,779 | 708,058 |
| Taxes receivable (note 4) | 1,217,959 | 851,600 |
| Long-term receivables (note 5) | <u>2,203,339</u> | <u>1,867,117</u> |
| Total financial assets | <u>26,325,598</u> | <u>21,499,136</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 1,539,580 | 850,007 |
| Municipal debt (note 6) | 134,400 | 8,000 |
| Deferred revenue (note 7) | <u>2,592,290</u> | <u>1,825,625</u> |
| Total liabilities | <u>4,266,270</u> | <u>2,683,632</u> |
| Net Financial Assets | 22,059,328 | 18,815,504 |
| Non-Financial Assets | | |
| Tangible Capital Assets (note 11) | <u>63,135,493</u> | <u>61,944,282</u> |
| Accumulated Surplus (note 10) | <u>\$ 85,194,821</u> | <u>\$ 80,759,786</u> |

Subsequent Events (note 16)

On Behalf Of Council

Mayor - Lonny Napper

Treasurer - Norma Roddick-Preece

The accompanying notes are an integral part of this financial statement.

Corporation Of The Town Of Plympton-Wyoming
Consolidated Statement of Change in Net Financial Assets
For the Year Ended December 31, 2019

| | Budget 2019 | 2019 | 2018 |
|---|------------------------|----------------------|----------------------|
| Annual surplus | \$ 3,516,822 | \$ 4,435,035 | \$ 3,842,713 |
| Amortization of tangible capital assets | - | 2,317,065 | 2,333,846 |
| "LAWSS" adjustment for tangible capital assets | - | 190,119 | - |
| Loss on disposal of assets | - | 143,170 | 127,385 |
| Acquisition of tangible capital assets | - | (3,338,765) | (2,304,206) |
| Assumed tangible capital assets | - | (502,800) | (677,823) |
| Increase in net financial assets | 3,516,822 | 3,243,824 | 3,321,915 |
| Net financial assets, beginning of year | <u>18,815,504</u> | <u>18,815,504</u> | <u>15,493,589</u> |
| Net financial assets, end of year | <u>\$ 22,332,326</u> | <u>\$ 22,059,328</u> | <u>\$ 18,815,504</u> |

The accompanying notes are an integral part of this financial statement.

Corporation Of The Town Of Plympton-Wyoming
Consolidated Statement Of Financial Activities and Accumulated Surplus
For the Year Ended December 31, 2019

| | Budget 2019 | Actual 2019 | Actual 2018 |
|--|------------------------|------------------------|------------------------|
| Revenues | | | |
| Net municipal taxation | \$ 7,733,816 | \$ 7,974,925 | \$ 7,325,550 |
| User charges | 265,121 | 216,681 | 232,825 |
| Water and sewage charges | 3,579,672 | 4,037,263 | 3,571,502 |
| Transfer payments | 1,810,310 | 2,449,970 | 1,708,061 |
| Other | 791,505 | 835,152 | 808,863 |
| Total Revenues | <u>14,180,424</u> | <u>15,513,991</u> | <u>13,646,801</u> |
| Expenditures | | | |
| General government | 1,332,650 | 1,402,280 | 1,126,819 |
| Protection services | 1,795,967 | 1,915,180 | 1,826,503 |
| Transportation services | 3,742,486 | 4,045,538 | 3,619,106 |
| Environmental services | 3,064,098 | 3,511,509 | 3,143,482 |
| Health services | 70,250 | 75,275 | 61,321 |
| Recreation and cultural | 382,111 | 405,153 | 392,717 |
| Planning and development | 276,040 | 414,040 | 311,963 |
| Total Expenditures | <u>10,663,602</u> | <u>11,768,975</u> | <u>10,481,911</u> |
| | 3,516,822 | 3,745,016 | 3,164,890 |
| Assumed Tangible Capital Assets | - | 502,800 | 677,823 |
| "LAWSS" Adjustment (note 14) | <u>-</u> | <u>187,219</u> | <u>-</u> |
| Annual Surplus | 3,516,822 | 4,435,035 | 3,842,713 |
| Accumulated Surplus, Beginning of year | <u>80,759,786</u> | <u>80,759,786</u> | <u>76,917,073</u> |
| Accumulated Surplus, End of Year | <u>\$ 84,276,608</u> | <u>\$ 85,194,821</u> | <u>\$ 80,759,786</u> |

Corporation Of The Town Of Plympton-Wyoming
Consolidated Statement Of Cash Flows
For The Year Ended December 31, 2019

| | 2019 | 2018 |
|--|-----------------------------|-----------------------------|
| Operating Transactions | | |
| Annual surplus | \$ 4,435,035 | \$ 3,842,713 |
| Items not requiring cash | | |
| Amortization | 2,317,065 | 2,333,846 |
| Loss on disposal of tangible capital assets | 143,170 | 127,385 |
| Assumed tangible capital assets | (502,800) | (677,823) |
| "LAWSS" adjustment | <u>190,119</u> | <u>-</u> |
| | 6,582,589 | 5,626,121 |
| Accounts receivable | 18,279 | 423,661 |
| Taxes receivable | (366,359) | 71,906 |
| Long term receivables | (336,222) | (579,421) |
| Debt to be recovered | - | 10,900 |
| Accounts payable and accrued liabilities | 689,573 | 86,732 |
| Interest on debt | - | (19) |
| Deferred revenue | <u>766,665</u> | <u>819,653</u> |
| | <u>7,354,525</u> | <u>6,459,533</u> |
| Capital Transactions | | |
| Acquisition of tangible capital assets | <u>(3,338,765)</u> | <u>(2,304,206)</u> |
| Financing Transactions | | |
| Issuance of municipal debt | 192,700 | - |
| Repayment of municipal debt | <u>(66,300)</u> | <u>(12,900)</u> |
| Net Change In Cash And Cash Equivalents | 4,142,160 | 4,142,427 |
| Opening, Cash And Cash Equivalents | <u>18,072,361</u> | <u>13,929,934</u> |
| Closing, Cash And Cash Equivalents | <u>\$ 22,214,521</u> | <u>\$ 18,072,361</u> |

The accompanying notes are an integral part of this financial statement.

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
December 31, 2019

1. Significant Accounting Policies

The consolidated financial statements of the Corporation of the Town of Plympton-Wyoming (the "Town") are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board ("PSAB") of the Institute of Chartered Professional Accountants of Canada.

Significant accounting policies adopted include:

(a) (i) Reporting Entity

These consolidated statements reflect the assets, liabilities, operating revenues, expenditures, reserves and changes in investment in tangible capital assets of the Town and following local boards:

Plympton-Wyoming Cemetery Board
Plympton-Wyoming Water Board
Plympton-Wyoming Fire Board
Plympton-Wyoming Parks and Recreation Board

All inter-entity transactions and balances are eliminated on consolidation.

(ii) Joint Local Board

The Lambton Area Water Supply System ("LAWSS") has been consolidated on a proportionate basis based upon the water flow of the municipality from prior year in proportion to the entire water flows provided by the joint local board from prior year. Under this proportionate basis, the municipality's pro rata share of each of the assets, liabilities, revenues and expenditures of "LAWSS" are consolidated with similar items in the municipality's financial statements. For 2019, the municipality's share of "LAWSS" was 5.07% (2018 - 4.98%). Material inter-organizational transaction balances have been eliminated.

(iii) Accounting for County and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Lambton are not reflected in these financial statements except that any amounts due to or from these organizations are reported on the statement of financial position. Taxation raised by the Township on behalf of these organizations is reflected as a deduction from total taxation on the Statement of Operations and Accumulated Surplus.

(iv) Trust Funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately.

(b) Basis of Accounting

(i) Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
December 31, 2019

1. Significant Accounting Policies cont'd....

(ii) Cash

Cash includes cash on account and short-term investments with original maturities of three months or less and are stated at cost, which approximates market value.

(iii) Non-Financial Assets

Non-financial assets are available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenditures, provides the Change in Net Financial Assets for the year.

(a) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less estimated residual value, of the tangible capital assets is amortized on the straight-line basis over their estimated useful lives as follows:

| Asset | Years |
|------------------------------|-----------------|
| Land improvements | 15 to 50 years |
| Buildings | 10 to 100 years |
| Equipment | 10 to 35 years |
| Vehicles | 10 to 25 years |
| Road infrastructure | 30 to 80 years |
| Environmental infrastructure | 10 to 100 years |

Only one-half of the above rates are used in the year of acquisition.

Assets under construction are not amortized until the asset is available for productive use.

(b) Contribution of Tangible Capital Assets

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

(c) Intangible Assets

Intangible assets, art and cultural and historic assets, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recorded as assets in these financial statements.

(iv) Deferred Revenue

Deferred revenue represents development charges, building permit fees, parkland fees and gas tax money which have been received and for which related expenditures have yet to be incurred. These amounts will be recognized as revenue in the fiscal year the expenditures are incurred.

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
December 31, 2019

1. Significant Accounting Policies cont'd....

(v) Revenue Recognition

User fees and other revenues are recognized when related goods are supplied or services provided.

Investment income earned on surplus funds is reported as revenue in the period earned. Investment income on deferred revenue is added to the fund balance and forms part of the respective deferred revenue balances.

Conditional grant revenue is recognized to the extent the conditions imposed on the grant have been fulfilled. Unconditional grant revenue is recognized when the monies are receivable. Grants for the acquisition of tangible capital assets are recognized in the period in which eligible capital expenditures are made.

Taxation revenues are recorded when the tax rates are set by by-laws and the assessment roll is issued by the assessment office. Supplementary taxation revenue is recorded once a supplementary assessment roll is received and supplementary tax bills are issued. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. Interest and penalties on overdue taxes are recorded in the period the interest and penalties are levied.

(vi) Use of Estimates

The preparation of financial statements in conformity with Canadian public accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Items requiring the use of significant estimates include those related to the useful life of assets, allowance for doubtful accounts and accrued accounts payable. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. Operations Of School Boards And The County Of Lambton

Further to note 1(a)(iii), the taxation, other revenues and requisitions of the School Boards and the County of Lambton are comprised of the following:

| | School Boards | County | 2019 Total | 2018 Total |
|---------------------------|--------------------------|---------------------|-----------------------|-----------------------|
| Taxation and user charges | \$ 2,507,256 | \$ 5,472,055 | \$ 7,979,311 | \$ 7,673,886 |
| Grants-in-lieu | <u>103</u> | <u>40,805</u> | <u>40,908</u> | <u>39,360</u> |
| Total | <u>\$ 2,507,359</u> | <u>\$ 5,512,860</u> | <u>\$ 8,020,219</u> | <u>\$ 7,713,246</u> |

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
December 31, 2019

3. Cash

This represents a consolidation of cash from the operating fund and the deferred revenue as detailed in note 5. The composition is as follows:

| | 2019 | 2018 |
|-------------------|----------------------|----------------------|
| Unrestricted Cash | \$ 19,622,231 | \$ 16,246,736 |
| Restricted Cash | <u>2,592,290</u> | <u>1,825,625</u> |
| Total | <u>\$ 22,214,521</u> | <u>\$ 18,072,361</u> |

4. Taxes and Tax Interest Receivable

| | 2019 | 2018 |
|-----------------------------|---------------------|-------------------|
| Current year | \$ 754,120 | \$ 454,702 |
| Arrears from previous years | <u>508,414</u> | <u>441,473</u> |
| | 1,262,534 | 896,175 |
| Less allowance | <u>44,575</u> | <u>44,575</u> |
| | <u>\$ 1,217,959</u> | <u>\$ 851,600</u> |

The allowance of \$44,575 has been established to cover the Town's share of potential adjustments from unresolved appeals, vacancy rebates and penalty and interest adjustments.

5. Long-Term Receivables

| | 2019 | 2018 |
|---------------------|---------------------|---------------------|
| Drains construction | \$ 1,844,384 | \$ 1,611,051 |
| Drains maintenance | <u>358,955</u> | <u>256,066</u> |
| | <u>\$ 2,203,339</u> | <u>\$ 1,867,117</u> |

Long-term receivables consists of drains maintenance and drains construction:

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
December 31, 2019

6. Municipal Debt

(a) The balance of net long-term liabilities reported on the consolidated statement of financial position is comprised of the following loans and debentures:

| | 2019 | 2018 |
|---------------------------------------|--------------------------|-----------------|
| 5.00% debenture, due December 1, 2021 | \$ 128,400 | \$ - |
| 2.25% debenture, due December 1, 2022 | <u>6,000</u> | <u>8,000</u> |
| | <u>\$ 134,400</u> | <u>\$ 8,000</u> |

(b) Principal repayments are as follows:

| | |
|------|--------------------------|
| 2020 | \$ 66,200 |
| 2021 | 66,200 |
| 2022 | 2,000 |
| 2023 | <u>-</u> |
| | <u>\$ 134,400</u> |

Revenue for the above principal repayments will be raised from the following sources:

| | |
|----------------|--------------------------|
| | 2020 |
| | to |
| | 2024 |
| From tax rates | <u>\$ 134,400</u> |

(c) Municipal debt approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt limit prescribed by the Ministry of Municipal Affairs and Housing.

(d) Total interest charges for the year for municipal debt which is reported on the Statement of Financial Position was \$9,815 (2018 - \$2,806).

(e) The Town is contingently liable for municipal debt with respect to tile drainage loans. The total amount outstanding as at December 31, 2019 is \$91,165 (2018 - \$32,918) and is not recorded on the "Consolidated Statement of Financial Position".

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
December 31, 2019

7. Deferred Revenue **2019** **2018**

The deferred revenue is comprised of the following obligatory reserve funds:

| | | |
|-------------------------|---------------------|---------------------|
| Development Charges Act | \$ 1,416,713 | \$ 990,798 |
| Recreational Land | 167,499 | 101,704 |
| Canada Gas Tax Funding | 589,646 | 332,329 |
| Building Code Act, 1992 | <u>418,432</u> | <u>400,794</u> |
| | <u>\$ 2,592,290</u> | <u>\$ 1,825,625</u> |

The net change during the year in the deferred revenue balances is as follows:

| | Building Code Act, 1992 | Development Charges Act | Recreational Land | Canada Gas Tax Funding |
|----------------------------------|----------------------------|----------------------------|----------------------|---------------------------|
| Balance, Beginning | \$ 400,794 | \$ 990,798 | \$ 101,704 | \$ 332,329 |
| Interest Earned | 9,099 | 23,983 | 2,795 | 11,520 |
| Transfer from Federal Government | - | - | - | 482,268 |
| Fees Received | <u>159,612</u> | <u>416,585</u> | <u>63,000</u> | <u>-</u> |
| | 569,505 | 1,431,366 | 167,499 | 826,117 |
| Transfer to Revenue | <u>151,073</u> | <u>14,653</u> | <u>-</u> | <u>236,471</u> |
| Balance, Ending | <u>\$ 418,432</u> | <u>\$ 1,416,713</u> | <u>\$ 167,499</u> | <u>\$ 589,646</u> |

8. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan, on behalf of members of its employees. The plan is a contributory defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on the length of service and rates of pay. Employers and employees contribute jointly to the plan.

Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the municipality does not recognize any share of the "OMERS" pension surplus or deficit in these statements.

The amount contributed to "OMERS" for 2019 was \$149,985 (2018 - \$127,488) for current service. Employer's contributions for current service are included as an expense in the consolidated statement of operations.

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
December 31, 2019

9. Classification Of Expenditures By Object

The Consolidated Statement of Financial Activities presents the expenditures by function whereas the following classifies these same expenditures by object:

| | 2019 | 2018 |
|---------------------------------------|----------------------|----------------------|
| Salaries, wages and employee benefits | \$ 2,560,414 | \$ 2,192,633 |
| Operating materials and supplies | 3,733,045 | 3,024,422 |
| Contracted services | 3,043,036 | 2,854,355 |
| Rents and financial expenses | 22,758 | 23,017 |
| External transfers to others | 82,842 | 50,832 |
| Amortization | 2,317,065 | 2,333,846 |
| Interest on municipal debt | <u>9,815</u> | <u>2,806</u> |
| Total Expenditures By Object | <u>\$ 11,768,975</u> | <u>\$ 10,481,911</u> |

10. Accumulated Surplus

Accumulated surplus consists of the following individual surplus accounts and reserves as follows:

| | 2019 | 2018 |
|--|----------------------|----------------------|
| Surplus | | |
| Invested in tangible capital assets | \$ 63,135,493 | \$ 61,944,282 |
| To reduce future taxation | 604,585 | 768,417 |
| Unfunded | <u>(137,136)</u> | <u>(29,255)</u> |
| Total Surplus | <u>63,602,942</u> | <u>62,683,444</u> |
| Reserves | | |
| Acquisition of property, plant and equipment | 9,680,827 | 7,680,955 |
| Fire | 1,482,683 | 1,224,064 |
| Parks and recreation and culture | 316,161 | 229,450 |
| Cemeteries | 90,678 | 67,598 |
| Sewer and water | 8,401,912 | 7,533,653 |
| Insurance | 179,701 | 151,426 |
| Garbage | 98,289 | 83,790 |
| Miscellaneous | 711,247 | 695,099 |
| Camlachie Community Centre | 31,351 | 27,658 |
| Medical Centre | 6,860 | 3,060 |
| Cannabis | 10,000 | - |
| Moderization Funding | 70,067 | - |
| Reserves held by "LAWSS" | <u>512,103</u> | <u>379,589</u> |
| | <u>21,591,879</u> | <u>18,076,342</u> |
| Accumulated Surplus | <u>\$ 85,194,821</u> | <u>\$ 80,759,786</u> |

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
December 31, 2019

11. Tangible Capital Assets

Asset Cost 2019

| | Land | Land Improve- ments | Buildings | Equipment | Vehicles | Infrastructure | Assets Under Construction | Total |
|-------------------------------|---------------------|---------------------------|----------------------|---------------------|---------------------|----------------------|---------------------------------|-----------------------|
| Balance, beginning | \$ 3,138,830 | \$ 320,171 | \$ 12,617,044 | \$ 4,294,694 | \$ 5,241,916 | \$ 81,586,765 | \$ 380,755 | \$ 107,580,175 |
| Assumed Assets | - | - | - | - | - | 502,800 | - | \$ 502,800 |
| Additions | - | - | 550,499 | 287,868 | 286,549 | 1,122,602 | 1,091,247 | 3,338,765 |
| Disposals | - | - | (11,518) | (25,332) | (486,176) | (403,934) | (5,672) | (932,632) |
| "LAWSS" adjustments | 1,654 | 608 | 41,828 | 73 | - | 145,001 | 955 | 190,119 |
| Class transfers, (to) from | - | (286,550) | (44,924) | 1,570,480 | 18,389 | (1,180,286) | (77,109) | - |
| Balance ending | \$ 3,140,484 | \$ 34,229 | \$ 13,152,929 | \$ 6,127,783 | \$ 5,060,678 | \$ 81,772,948 | \$ 1,390,176 | \$ 110,679,227 |

Accumulated Amortization 2019

| | | | | | | | | |
|-------------------------------|-------------|------------------|---------------------|---------------------|---------------------|----------------------|-------------|----------------------|
| Balance, beginning | \$ - | \$ 51,194 | \$ 5,257,105 | \$ 3,011,931 | \$ 2,319,025 | \$ 34,996,638 | \$ - | \$ 45,635,893 |
| Amortization | - | 715 | 242,638 | 274,725 | 251,240 | 1,547,747 | - | 2,317,065 |
| Disposals | - | - | (3,071) | (23,770) | (319,616) | (143,399) | - | (489,856) |
| "LAWSS" adjustment | - | 574 | 19,541 | 37 | - | 60,480 | - | 80,632 |
| Class transfers, (to) from | - | (19,435) | (10,056) | 324,947 | - | (295,456) | - | - |
| Balance ending | \$ - | \$ 33,048 | \$ 5,506,157 | \$ 3,587,870 | \$ 2,250,649 | \$ 36,166,010 | \$ - | \$ 47,543,734 |

**Net
Book
Value**

| | | | | | | | | |
|--------------|---------------------|-----------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| Value | \$ 3,140,484 | \$ 1,181 | \$ 7,646,772 | \$ 2,539,913 | \$ 2,810,029 | \$ 45,606,938 | \$ 1,390,176 | \$ 63,135,493 |
|--------------|---------------------|-----------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|

Asset Cost 2018

| | Land | Land Improve- ments | Buildings | Equipment | Vehicles | Infrastructure | Assets Under Construction | Total |
|---------------------------|---------------------|---------------------------|----------------------|---------------------|---------------------|----------------------|---------------------------------|-----------------------|
| Balance, beginning | \$ 3,138,830 | \$ 320,171 | \$ 12,390,557 | \$ 4,009,053 | \$ 5,105,971 | \$ 79,011,616 | \$ 1,174,495 | \$ 105,150,693 |
| Assumed Assets | - | - | - | - | - | 677,823 | - | 677,823 |
| Additions | - | - | 241,094 | 285,641 | 252,925 | 2,318,286 | (793,740) | 2,304,206 |
| Disposals | - | - | (14,607) | - | (116,980) | (420,960) | - | (552,547) |
| "LAWSS" adjustment | - | - | - | - | - | - | - | - |
| Balance ending | \$ 3,138,830 | \$ 320,171 | \$ 12,617,044 | \$ 4,294,694 | \$ 5,241,916 | \$ 81,586,765 | \$ 380,755 | \$ 107,580,175 |

Accumulated Amortization 2018

| | | | | | | | | |
|---------------------------|-------------|------------------|---------------------|---------------------|---------------------|----------------------|-------------|----------------------|
| Balance, beginning | \$ - | \$ 50,497 | \$ 5,024,665 | \$ 2,737,920 | \$ 2,131,566 | \$ 33,782,561 | \$ - | \$ 43,727,209 |
| Amortization | - | 697 | 245,294 | 274,011 | 256,628 | 1,557,217 | - | 2,333,847 |
| Disposals | - | - | (12,854) | - | (69,169) | (343,140) | - | (425,163) |
| "LAWSS" adjustment | - | - | - | - | - | - | - | - |
| Balance ending | \$ - | \$ 51,194 | \$ 5,257,105 | \$ 3,011,931 | \$ 2,319,025 | \$ 34,996,638 | \$ - | \$ 45,635,893 |

**Net
Book
Value**

| | | | | | | | | |
|--------------|---------------------|-------------------|---------------------|---------------------|---------------------|----------------------|-------------------|----------------------|
| Value | \$ 3,138,830 | \$ 268,977 | \$ 7,359,939 | \$ 1,282,763 | \$ 2,922,891 | \$ 46,590,127 | \$ 380,755 | \$ 61,944,282 |
|--------------|---------------------|-------------------|---------------------|---------------------|---------------------|----------------------|-------------------|----------------------|

Corporation Of The Town Of Plympton-Wyoming
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11. Tangible Capital Assets cont'd...

Assets Under Construction

Assets under construction having a value of \$1,390,176 (2018 - \$380,755) have not been amortized. Amortization of these assets will commence when the asset is put into service.

12. Joint Local Board - "LAWSS"

The following summarizes the financial position and operations of "LAWSS" which has been reported in these financial statements using the proportionate consolidation method.

The consolidated financial statements include the municipality's 5.07% (2018 - 4.98%) proportionate interest of the following:

| | 2019 | 2018 |
|-------------------------------------|----------------------|----------------------|
| Financial Position | | |
| Financial assets | <u>\$ 10,844,853</u> | <u>\$ 7,742,198</u> |
| Liabilities | | |
| Current liabilities | 252,841 | 58,214 |
| Municipal debt | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>252,841</u> | <u>58,214</u> |
| Net Financial Assets | 10,592,012 | 7,683,984 |
| Non-Financial Assets | | |
| Tangible capital assets | <u>86,748,811</u> | <u>86,596,640</u> |
| Accumulated Surplus | <u>\$ 97,340,823</u> | <u>\$ 94,280,624</u> |
| Accumulated Surplus Comprised of: | | |
| Invested in tangible capital assets | \$ 86,748,811 | \$ 86,596,640 |
| Reserves | 10,592,012 | 7,683,984 |
| Unfunded | <u>-</u> | <u>-</u> |
| Accumulated Surplus | <u>\$ 97,340,823</u> | <u>\$ 94,280,624</u> |
| Results of Operations | | |
| Revenues | <u>\$ 10,005,603</u> | <u>\$ 9,939,525</u> |
| Expenditures | <u>\$ 6,945,404</u> | <u>\$ 7,003,036</u> |

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
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13. Segmented Information

The Corporation of the Town of Plympton-Wyoming is a diversified municipal government institution that provides a wide range of services to its inhabitants such as policing, fire protection, water distribution, sewage collection and treatment, waste collection and disposal, recycling services, recreational services, library facilities, and planning. Distinguishable functional segments have been in the segmented information.

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 payment-in-lieu, OMPF Grant, net income of government business enterprise and shared other revenue consisting of penalty and interest on taxes, investment income, have been allocated to those segments that are funded by these amounts based on the net surplus for the year.

The nature of the segments and the activities they encompass are as follows:

General Government

This reports the revenues and expenses that relate to the governance and operations of the Township and cannot be directly attributed to a specific segment.

Protection to Persons and Property

Protection to persons and property is comprised of police services, fire protection, animal control and building inspections. The police services work to ensure the safety and protection of the inhabitants and their property. The fire department, whose members are all volunteers, is responsible to provide fire fighting services, fire prevention programs, training and education. The building inspections provides a number of services including enforcement of building and construction codes and a review of all property development plans through its application process.

Transportation Services

Transportation is responsible for maintenance and construction of the Town's roadways, bridges, parking areas, street lighting and winter control.

Environmental Services

Environmental services consist of providing water treatment and distribution, sanitary sewage collection and treatment and ensuring that the Township's sewer and water systems meet all Provincial standards. In addition, environmental services consists of providing solid waste collection and recycling services.

Health Services

Health services consists of cemetery operations.

Recreational and Cultural Services

This service provides services to improve health and development of the Town inhabitants. This is accomplished by the municipality operating and maintaining parks, ball parks, trails, and providing library and museum facilities.

Planning and Development Services

The Town is responsible for planning and zoning including the Official Plan. In addition, this area of service includes tourist information, promotion and events, drainage, and commercial and residential development.

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
December 31, 2019

13. Segmented Information cont'd...

| For The Year Ended December 31, 2019 | General Government | Protection Services | Transportation Services | Environmental Services | Health Services | Recreation Cultural | Planning Development | Total |
|---|-------------------------------|--------------------------------|------------------------------------|-----------------------------------|----------------------------|--------------------------------|---------------------------------|---------------------|
| Revenue | | | | | | | | |
| Taxation | \$ 1,891,151 | \$ 821,160 | \$ 4,710,788 | \$ - | \$ 24,595 | \$ 421,791 | \$ 105,440 | \$ 7,974,925 |
| Water and sewer charges | - | - | - | 4,037,263 | - | - | - | 4,037,263 |
| Fees and User charges | 8,589 | 23,310 | - | - | 43,301 | 115,122 | 26,359 | 216,681 |
| Transfer payments | 1,458,987 | 70,516 | - | 503,179 | - | 8,894 | 408,394 | 2,449,970 |
| Other | <u>531,299</u> | <u>-</u> | <u>303,853</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>835,152</u> |
| | <u>3,890,026</u> | <u>914,986</u> | <u>5,014,641</u> | <u>4,540,442</u> | <u>67,896</u> | <u>545,807</u> | <u>540,193</u> | <u>15,513,991</u> |
| Expenditures | | | | | | | | |
| Salaries and benefits | 763,672 | 261,156 | 992,186 | 409,386 | - | 93,738 | 40,276 | 2,560,414 |
| Materials and supplies | 602,035 | 293,042 | 1,831,486 | 381,299 | 58,965 | 210,036 | 356,182 | 3,733,045 |
| Contracted services | 4,800 | 1,107,402 | - | 1,885,212 | 15,586 | 22,269 | 7,767 | 3,043,036 |
| Interest | - | - | - | - | - | - | 9,815 | 9,815 |
| Amortization and loss on disposal of assets | 9,015 | 170,738 | 1,221,866 | 835,612 | 724 | 79,110 | - | 2,317,065 |
| Other | <u>22,758</u> | <u>82,842</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>105,600</u> |
| | <u>1,402,280</u> | <u>1,915,180</u> | <u>4,045,538</u> | <u>3,511,509</u> | <u>75,275</u> | <u>405,153</u> | <u>414,040</u> | <u>11,768,975</u> |
| Surplus (Deficit) before adjustments for assumed assets and "LAWSS" adjustment | <u>\$ 2,487,746</u> | <u>\$(1,000,194)</u> | <u>\$ 969,103</u> | <u>\$ 1,028,933</u> | <u>\$(7,379)</u> | <u>\$ 140,654</u> | <u>\$ 126,153</u> | <u>\$ 3,745,016</u> |

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
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13. Segmented Information cont'd...

| For The Year Ended December 31, 2018 | General Government | Protection Services | Transportation Services | Environmental Services | Health Services | Recreation Cultural | Planning Development | Total |
|---|-------------------------------|--------------------------------|------------------------------------|-----------------------------------|----------------------------|--------------------------------|---------------------------------|---------------------|
| Revenue | | | | | | | | |
| Taxation | \$ 1,601,021 | \$ 800,710 | \$ 4,387,800 | \$ - | \$ 24,365 | \$ 413,214 | \$ 98,440 | \$ 7,325,550 |
| Water and sewer charges | - | - | - | 3,571,502 | - | - | - | 3,571,502 |
| Fees and User charges | 32,428 | 23,340 | - | - | 27,668 | 114,630 | 34,759 | 232,825 |
| Transfer payments | 877,841 | 34,625 | - | 524,768 | - | 19,500 | 251,327 | 1,708,061 |
| Other | <u>503,601</u> | <u>-</u> | <u>305,262</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>808,863</u> |
| | <u>3,014,891</u> | <u>858,675</u> | <u>4,693,062</u> | <u>4,096,270</u> | <u>52,033</u> | <u>547,344</u> | <u>384,526</u> | <u>13,646,801</u> |
| Expenditures | | | | | | | | |
| Salaries and benefits | 698,060 | 222,577 | 837,875 | 313,998 | - | 89,887 | 30,236 | 2,192,633 |
| Materials and supplies | 389,292 | 275,007 | 1,497,554 | 343,356 | 46,102 | 198,678 | 274,433 | 3,024,422 |
| Contracted services | 4,800 | 1,108,444 | - | 1,700,790 | 14,479 | 21,354 | 4,488 | 2,854,355 |
| Interest | - | - | - | - | - | - | 2,806 | 2,806 |
| Amortization and loss on disposal of assets | 11,650 | 169,643 | 1,283,677 | 785,338 | 740 | 82,798 | - | 2,333,846 |
| Other | <u>23,017</u> | <u>50,832</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>73,849</u> |
| | <u>1,126,819</u> | <u>1,826,503</u> | <u>3,619,106</u> | <u>3,143,482</u> | <u>61,321</u> | <u>392,717</u> | <u>311,963</u> | <u>10,481,911</u> |
| Surplus (Deficit) before "LAWSS" adjustment | <u>\$ 1,888,072</u> | <u>\$ (967,828)</u> | <u>\$ 1,073,956</u> | <u>\$ 952,788</u> | <u>\$ (9,288)</u> | <u>\$ 154,627</u> | <u>\$ 72,563</u> | <u>\$ 3,164,890</u> |

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
December 31, 2019

14. "LAWSS" Adjustment

The Town's proportionate share of its interest in "LAWSS" is adjusted annually based upon the Town's share of its water consumption from "LAWSS" compared to the total water consumption by all members of "LAWSS". This percentage is based on the consumption for the year. This adjustment has resulted in the following increases (decreases) to its share of assets and liabilities of "LAWSS" on January 1 each year as compared to its share of assets and liabilities of "LAWSS" from December 31 of the preceding year. There was no change reported in 2018.

| | 2019 | 2018 |
|---------------------------|-------------------|-------------|
| Assets | | |
| Cash | \$ 6,464 | \$ - |
| Accounts receivable | 504 | - |
| Tangible capital assets | <u>190,119</u> | <u>-</u> |
| | <u>197,087</u> | <u>-</u> |
| Liabilities | | |
| Accounts payable | 9,868 | - |
| Long-term debt | <u>-</u> | <u>-</u> |
| | <u>9,868</u> | <u>-</u> |
| "LAWSS" Adjustment | <u>\$ 187,219</u> | <u>\$ -</u> |

This adjustment affected the January 1 balances as compared to the December 31 balances of the prior year of the following accumulated surplus accounts:

| | | |
|----------------------------|-------------------|-------------|
| Invested in capital assets | \$ 190,119 | \$ - |
| Reserves | <u>(2,900)</u> | <u>-</u> |
| | 187,219 | - |
| Less unfunded | <u>-</u> | <u>-</u> |
| | <u>\$ 187,219</u> | <u>\$ -</u> |

Corporation Of The Town Of Plympton-Wyoming
Notes To Consolidated Financial Statements
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15. Trust Funds

Trust funds, consisting of Cemetery Care and Maintenance Funds administered by the Town amounting to \$245,126 (2018 - \$235,357) are not included in the Consolidated Statement of Financial Position nor have their operations been included in the "Consolidated Statement of Financial Activities".

16. Subsequent Events

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these consolidated financial statements, the Municipality has experienced indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic:

- Deferred property tax, water and sewer late payment interest and penalties for 2 months.
- Temporarily started closing Municipal facilities for walk-in access on March 18, 2020. Town Hall reopened to public in July, 2020 with appropriate COVID-19 safety protocols in place .
- Working from home requirements have been setup for those able to do so, as well as segregated work units.

At this time these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. In the face of this pandemic, the Municipality has adopted several specific measures, which include the cancellation of festivals, events and public gatherings, as well as the closure, until further notice, of several cultural and sports facilities. Estimates and assumptions have been made by management to try and quantify the financial effect of these activities. A detailed review of the 2020 Budget was conducted and the results of this work was presented to Council. Management is managing all aspects of the budget very closely and adjusting and reacting as needed.

17. Comparative Figures

The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.