
Town of Trenton

Notes to the consolidated financial statements

March 31, 2020

13. Sick Leave Benefit Liability

Section 3255 of the CPA Canada Public Sector Accounting Handbook requires that a liability and expense be recorded for compensated absences that are both accumulating and non-vesting and accumulating and vesting. The valuation of the non-vesting accumulating sick leave benefits provided to employees of the Town was completed as at March 31, 2020. Fiscal 2020 is the first year the sick leave liability has been calculated by an actuary.

Actuarial Method:

The actuarial cost method used was the "Projected Unit Credit" method pro - rated on service.

Components of benefit expense under PS3255:

	<u>2020</u>
Current period benefit cost	\$ 4,858
Interest expense	<u>1,727</u>
Benefit expense	<u>\$ 6,585</u>

Accrued benefit liability / (asset) on the consolidated statement of financial position:

	<u>2020</u>
Balance, beginning of year	\$ 94,500
Adjustment for actuary calculation	(25,255)
Benefit expense	6,585
Benefit payments	<u>(5,201)</u>
Balance, end of year	<u>\$ 70,629</u>

Assumptions:

Discount rate:	2.5% per annum
Salary increases:	2.0% per annum
Termination:	Ontario Light termination rate table
Retirement age:	Age 65
Attribution Period:	Date of hire to date of assumed excess sick leave usage

Plan provisions:

Union Employees hired on or before June 10, 2011

The Town provides eligible employees with sick leave that accumulates at 18 days per year (1.5 days per month) up to a maximum of 155 days. If an employee is sick more than 18 days in a year, they can draw on their accumulated sick leave. The accumulated sick leave balance is paid out at termination, retirement, or death provided the employee was not terminated with just cause.

Union employees hired after June 10, 2011

The Town provides eligible employees with sick leave that accumulates at 18 days per year (1.5 days per month) up to a maximum of 120 days. If an employee is sick more than 18 days in a year, they can draw on their accumulated sick leave. No benefit in respect of accumulated sick leave is paid out on retirement, termination, or death.

Non-Union employees

The Town provides eligible employees with sick leave that accumulates at 18 days per year (1.5 days per month) up to a maximum of 130 days. If an employee is sick more than 18 days in a year, they can draw on their accumulated sick leave. No benefit in respect of accumulated sick leave is paid out on retirement, termination, or death.

Town of Trenton

Notes to the consolidated financial statements

March 31, 2020

14. Impact of COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Town of Trenton has not yet experienced a significant impact on its operations and has determined that no events have taken place that impact the financial results of operations as of and for the year ended March 31, 2020.

The Town has seen a slight decline in revenues as a result of Covid-19, particularly in terms of recreation revenue, however, this was mitigated by a decrease in corresponding expenses. The Town has adjusted the F2021 budget to account for potential decrease in activity due to COVID-19 restrictions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Municipality and its subsidiaries in future periods, therefore no adjustments have been made to the March 31, 2020 period.

15. Comparative figures

Certain of the prior year figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current year.

16. Non-consolidated accumulated general operating deficit

On November 25, 2019, the Department of Municipal Affairs confirmed approval for the Town council to fund the \$101,885 accumulated general operating deficit for fiscal 2019. The accumulated deficit was funded in full during fiscal 2020.

Town of Trenton
Consolidated schedule of tangible capital assets

Year ended March 31, 2020

	Land	Land Improvements	Buildings	Engineered Structures	Machinery and Equipment	Vehicles	2020	2019
Cost:								
Balance, beginning of year	\$ 419,164	\$ 1,467,583	\$ 4,450,050	\$ 16,569,851	\$ 2,102,625	\$ 1,288,140	\$ 26,297,413	\$ 25,950,651
Acquisition of tangible capital assets	63,917	-	28,689	154,367	72,785	-	319,758	431,379
Disposal of tangible capital assets	-	-	-	(51,697)	-	-	(51,697)	(108,686)
Construction-in-progress	-	23,350	-	-	-	-	23,350	24,069
Balance, end of year	483,081	1,490,933	4,478,739	16,672,521	2,175,410	1,288,140	26,588,824	26,297,413
Accumulated amortization:								
Balance, beginning of year	-	646,573	2,488,184	6,789,576	1,815,185	683,861	12,423,379	11,822,732
Disposal of tangible capital assets	-	-	-	-	-	-	-	(108,686)
Annual amortization	-	48,493	115,026	366,821	110,066	74,052	714,458	709,333
Balance, end of year	-	695,066	2,603,210	7,156,397	1,925,251	757,913	13,137,837	12,423,379
Net book value of tangible capital assets	\$ 483,081	\$ 795,867	\$ 1,875,529	\$ 9,516,124	\$ 250,159	\$ 530,227	\$ 13,450,987	\$ 13,874,034
2019 Net book value of tangible capital assets	\$ 419,164	\$ 821,010	\$ 1,961,866	\$ 9,780,275	\$ 287,440	\$ 604,279	\$ 13,874,034	

Town of Trenton
Consolidated schedule of segmented disclosure
Year ended March 31, 2020

Year ended March 31, 2020

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Welfare	Environmental Development Services	Recreation and Cultural Services	Water	Consolidated
Revenues									
Taxes	\$ 669,953	\$ 614,989	\$ 784,054	\$ 537,338	\$ 45,488	\$ 45,241	\$ 489,545	\$ -	\$ 3,186,608
Water rates	-	-	-	-	-	-	-	341,975	341,975
Grants in lieu of taxes	742	548	867	-	51	50	542	-	2,800
Sale of services	8,250	-	-	-	-	-	244,934	-	253,184
Services provided to other local governments	-	15,000	-	-	-	88,897	-	-	103,897
Other revenue from own sources	1,218	983	1,426	-	83	2,145	37,527	-	43,382
Capital contributions and grants	148,585	-	-	154,367	-	-	135,694	-	438,646
Unconditional transfers from other governments	111,479	82,420	130,466	-	7,569	7,528	81,460	-	420,922
Conditional transfers from other governments	-	-	-	-	-	-	58,707	-	58,707
Interest and other	67,568	-	-	-	-	-	-	23,008	90,576
	<u>\$ 1,007,795</u>	<u>\$ 713,940</u>	<u>\$ 916,813</u>	<u>\$ 691,705</u>	<u>\$ 53,191</u>	<u>\$ 143,861</u>	<u>\$ 1,048,409</u>	<u>\$ 364,983</u>	<u>\$ 4,940,697</u>
Expenses									
Salaries, wages and benefits	\$ 370,049	\$ 54,763	\$ 306,798	\$ -	\$ -	\$ 103,226	\$ 403,604	\$ 231,747	\$ 1,470,187
Operating materials and supplies	90,774	36,253	165,502	3,205	-	28,171	224,066	156,584	704,555
Contracted services	179,152	616,050	142,802	317,682	55,000	13,130	129,062	8,000	1,460,878
Rents and financial expenses	88,480	7,346	36,849	42,794	-	-	12,719	-	188,188
Community grants and exemptions	15,051	-	9,200	-	-	1,134	-	-	25,385
Amortization	74,786	20,093	286,851	131,251	-	-	162,738	38,739	714,458
	<u>\$ 818,292</u>	<u>\$ 734,505</u>	<u>\$ 948,002</u>	<u>\$ 494,932</u>	<u>\$ 55,000</u>	<u>\$ 145,661</u>	<u>\$ 932,189</u>	<u>\$ 435,070</u>	<u>\$ 4,563,651</u>

Town of Trenton
Consolidated schedule of segmented disclosure
Year ended March 31, 2019

Year ended March 31, 2019

	General Government Services	Protective Services	Transportation Services	Environmental Health Services	Public Health and Welfare	Environmental Development Services	Recreation and Cultural Services	Water	Consolidated
Revenues									
Taxes									
Water rates	\$ 563,431	\$ 517,563	\$ 606,794	\$ 467,766	\$ 30,057	\$ 45,771	\$ 474,872	\$ -	\$ 2,706,254
Grants in lieu of taxes	-	-	-	-	-	-	-	344,094	344,094
Sale of services	826	621	931	108	46	70	729	-	3,331
Services provided to other local- governments	6,905	-	-	-	-	-	226,302	-	233,207
Other revenue from own sources	-	15,000	-	-	-	134,371	-	-	149,371
Capital contributions and grants	2,704	3,049	3,047	354	151	2,256	15,037	-	26,598
Unconditional transfers from other governments	-	-	69,260	133,563	-	-	14,406	-	217,229
Conditional transfers from other governments	104,389	78,461	117,637	13,673	5,827	8,873	92,062	-	420,922
Interest and other	-	-	1,611	-	-	-	31,462	-	33,073
	<u>69,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,190</u>	<u>88,729</u>
	\$ 747,794	\$ 614,694	\$ 799,280	\$ 615,464	\$ 36,081	\$ 191,341	\$ 854,870	\$ 363,284	\$ 4,222,808
Expenses									
Salaries, wages and benefits	\$ 333,489	\$ 42,305	\$ 248,725	\$ -	\$ -	\$ 160,855	\$ 415,647	\$ 183,082	\$ 1,384,103
Operating materials and supplies	72,732	65,957	189,432	16,394	-	30,787	268,418	143,611	787,331
Contracted services	155,153	601,853	140,886	311,718	45,012	7,015	113,024	7,500	1,382,161
Rents and financial expenses	143,074	9,189	35,960	44,548	-	-	12,940	-	245,711
Community grants and exemptions	22,754	-	9,200	-	-	6,284	-	-	38,238
Amortization	<u>72,268</u>	<u>15,643</u>	<u>284,502</u>	<u>130,196</u>	<u>-</u>	<u>-</u>	<u>171,532</u>	<u>35,192</u>	<u>709,333</u>
	\$ 799,470	\$ 734,947	\$ 908,705	\$ 502,856	\$ 45,012	\$ 204,941	\$ 981,561	\$ 369,385	\$ 4,546,877

Supplementary schedules

Town of Trenton
Supplementary schedules
Water utility
Operating fund – schedule of financial position

March 31	2020	2019
Assets		
Cash	\$ 343,872	\$ 224,377
Receivables		
Rates (less allowance for doubtful accounts \$16,000; 2019: \$56,000)	113,001	129,764
Due from own funds and agencies		
General operating fund	-	80,301
	<u>\$ 456,873</u>	<u>\$ 434,442</u>
Liabilities		
Trade payables	\$ 22,995	\$ 14,939
Deferred revenue	20,185	15,047
Due to own funds and agencies		
General operating fund	18,067	-
Water capital fund	40,138	35,192
	<u>101,385</u>	<u>65,178</u>
Equity		
Surplus	<u>355,488</u>	<u>369,264</u>
	<u>\$ 456,873</u>	<u>\$ 434,442</u>

On behalf of the Town of Trenton



 Mayor



 CAO

Town of Trenton
Supplementary schedules
Water utility
Operating fund – schedule of financial operations

Year ended March 31	2020		2019
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Operating revenue			
Sale of water			
Domestic, commercial and industrial			
Metered rate	\$ 315,000	\$ 312,718	\$ 314,937
Flat rate	2,500	2,569	2,469
Fire protection			
Public hydrant	136,672	136,672	136,672
Private	6,520	6,520	6,520
Customers' forfeited discounts	15,000	9,340	14,473
Interest	-	4,578	4,717
	<u>475,692</u>	<u>472,397</u>	<u>479,788</u>
Operating expenditures			
Source of supply	26,770	14,554	20,954
Power and pumping	56,447	53,471	51,502
Purification	220,922	255,495	194,474
Transmission and distribution	85,381	53,007	67,263
Administration	70,895	38,981	64,496
Depreciation	35,200	38,739	35,192
Property tax	31,500	31,926	31,294
	<u>527,115</u>	<u>486,173</u>	<u>465,175</u>
Excess of operating revenue over expenditures	<u>(51,423)</u>	<u>(13,776)</u>	<u>14,613</u>
Non-operating revenues and expenditures			
Amortization of deferred grants	1,399	1,399	1,399
Capital expenditures from revenues	50,024	-	-
	<u>51,423</u>	<u>1,399</u>	<u>1,399</u>
(Deficit) excess of revenue over expenditures	<u>\$ -</u>	<u>(12,377)</u>	<u>16,012</u>
Surplus beginning of the year		<u>369,264</u>	<u>354,651</u>
Transfer to water capital fund		<u>356,887</u>	<u>370,063</u>
		<u>(1,399)</u>	<u>(1,399)</u>
Surplus end of the year		<u>\$ 355,488</u>	<u>\$ 369,264</u>

Town of Trenton
Supplementary schedules
Water utility
Capital fund – schedule of financial position

March 31 2020 2019

Assets

Cash		
Depreciation fund	\$ 482,788	\$ 461,679
Due from own funds and agencies		
Water utility	40,138	35,192
General operating fund	6,997	7,539
Accumulated amortization of deferred grants	4,196	2,797
Work in process	-	19,804
Utility plant in service (Page 29)	<u>2,500,184</u>	<u>2,477,867</u>
	<u>\$ 3,034,303</u>	<u>\$ 3,004,878</u>


Liabilities

Accumulated allowance for depreciation	\$ 1,285,453	\$ 1,246,713
Deferred capital grants	<u>104,783</u>	<u>104,783</u>
	1,390,236	1,351,496

Equity

Investment in capital assets (Page 29)	<u>1,644,067</u>	<u>1,653,382</u>
	<u>\$ 3,034,303</u>	<u>\$ 3,004,878</u>

On behalf of the Town of Trenton


 _____ Mayor


 _____ CAO

Town of Trenton
Supplementary schedules
Water utility
Schedule of investment in plant and equipment

March 31	2020	2019
Land	\$ 16,584	\$ 16,584
Wells	180,728	180,728
Structures and improvements		
Pumping	189,779	189,779
Distribution reservoirs	342,045	342,045
Treatment	117,720	117,720
Equipment		
Pumping	160,191	160,191
Water treatment	194,145	194,145
Tools and work equipment	65,431	65,431
Other	135,720	113,403
Mains		
Transmission	132,403	132,403
Distribution	761,238	761,238
Meters	170,650	170,650
Hydrants	33,550	33,550
	<u>\$ 2,500,184</u>	<u>\$ 2,477,867</u>

Water utility
Schedule of investment in capital assets

Year ended March 31	2020	2019
Balance, beginning of year	\$ 1,653,382	\$ 1,644,444
Capital expenditures from revenue		-
Transfer from operating fund	1,399	1,399
Write-off of work in progress	(19,804)	-
Interest	9,090	7,539
Balance, end of year	<u>\$ 1,644,067</u>	<u>\$ 1,653,382</u>

Water utility
Schedule of depreciation funds

Year ended March 31	2020	2019
Balance, beginning of year	\$ 461,679	\$ 461,679
Portion of current year's interest earned on depreciation funds	2,095	-
Prior year's depreciation and interest	41,331	-
Capital purchase	(22,317)	-
Balance, end of year	<u>\$ 482,788</u>	<u>\$ 461,679</u>
Consisting of:		
Cash in bank	<u>\$ 482,788</u>	<u>\$ 461,679</u>