

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Mapleton

### Report on the Financial Statements

We have audited the accompanying financial statements of The Corporation of the Township of Mapleton, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Township of Mapleton as at December 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'RLB LLP'.

Guelph, Ontario  
August 14, 2018

Chartered Professional Accountants  
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MAPLETON  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2017

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 12,479,186	\$ 5,986,969
Taxes receivable	1,982,739	1,138,762
Accounts receivable	<u>1,165,582</u>	<u>811,887</u>
	<u>15,627,507</u>	<u>7,937,618</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,506,070	2,487,099
Deferred revenue (note 8)	2,061,684	1,604,932
Deferred grants	10,401	34,814
Current portion of debentures payable (note 3)	<u>757,626</u>	<u>425,071</u>
	<u>4,335,781</u>	<u>4,551,916</u>
<b>DEBENTURES PAYABLE</b> (note 3)	<u>9,302,041</u>	<u>3,508,572</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>1,989,685</u>	<u>(122,870)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 2)	46,380,757	45,757,437
Inventory	110,209	50,997
Prepaid expenses	<u>42,758</u>	<u>11,895</u>
	<u>46,533,724</u>	<u>45,820,329</u>
<b>ACCUMULATED SURPLUS</b> (schedule 3)	<u>\$ 48,523,409</u>	<u>\$ 45,697,459</u>

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>2017 Budget (note 5)</b>	<b>2017 Actual</b>	<b>2016 Actual (note 11)</b>
<b>REVENUE</b>			
Net taxation/user charges	\$ 6,665,576	\$ 6,849,413	\$ 6,009,751
Ontario funding	935,059	2,118,304	1,019,520
Federal funding	0	224,900	0
Licences and permits	386,440	561,332	322,688
Fees and service charges	341,647	1,498,394	1,443,430
Fees from other municipalities	60,000	66,382	59,569
Penalties and interest on taxes	155,000	176,129	168,425
Obligatory reserve funds revenue recognized (note 8)	303,697	140,952	303,697
Gain on disposal of tangible capital assets	0	68,475	500
Medical centre	175,000	161,499	158,100
Interest, donations and other	<u>184,455</u>	<u>256,257</u>	<u>333,072</u>
	<u>9,206,874</u>	<u>12,122,037</u>	<u>9,818,752</u>
<b>EXPENSES (schedule 1)</b>			
General government	1,058,379	1,097,025	1,041,446
Protection to persons and property	1,184,499	1,223,705	1,099,829
Transportation services	4,496,390	4,305,831	4,749,077
Environmental services	647,863	1,025,828	1,100,558
Health services	72,546	62,793	63,583
Social services	0	181,210	198,304
Recreation and culture	1,020,709	984,759	985,134
Planning and development	436,339	329,758	252,947
Medical centre	<u>91,405</u>	<u>85,178</u>	<u>96,068</u>
	<u>9,008,130</u>	<u>9,296,087</u>	<u>9,586,946</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 198,744</u>	<u>\$ 2,825,950</u>	<u>\$ 231,806</u>
<b>ACCUMULATED SURPLUS at beginning of year</b>		\$ 45,697,459	\$ 45,465,653
Annual surplus		<u>2,825,950</u>	<u>231,806</u>
<b>ACCUMULATED SURPLUS at end of year</b>		<u>\$ 48,523,409</u>	<u>\$ 45,697,459</u>

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>2017 Budget (note 5)</b>	<b>2017 Actual</b>	<b>2016 Actual (note 11)</b>
<b>Annual surplus</b>	\$ <u>198,744</u>	\$ <u>2,825,950</u>	\$ <u>231,806</u>
Acquisition of tangible capital assets	(4,767,461)	(3,292,532)	(7,514,018)
Amortization of tangible capital assets	2,669,212	2,669,212	3,199,637
Gain on disposal of tangible capital assets	0	(68,475)	(500)
Proceeds on disposal of tangible capital assets	<u>0</u>	<u>68,475</u>	<u>500</u>
	<u>(2,098,249)</u>	<u>(623,320)</u>	<u>(4,314,381)</u>
Consumption of supplies inventory	0	(59,212)	(21,259)
Use of prepaid expense	<u>0</u>	<u>(30,863)</u>	<u>(1,857)</u>
	<u>0</u>	<u>(90,075)</u>	<u>(23,116)</u>
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	\$ <u>(1,899,505)</u>	2,112,555	(4,105,691)
<b>(NET DEBT) NET FINANCIAL ASSETS, beginning of year</b>		<u>(122,870)</u>	<u>3,982,821</u>
<b>NET FINANCIAL ASSETS (NET DEBT), end of year</b>		\$ <u>1,989,685</u>	\$ <u>(122,870)</u>

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Annual surplus	\$ <u>2,825,950</u>	\$ <u>231,806</u>
Items not requiring an outlay of cash		
Amortization	2,669,212	3,199,637
Gain on disposal of tangible capital assets	<u>(68,475)</u>	<u>(500)</u>
	<u>2,600,737</u>	<u>3,199,137</u>
Net changes in non-cash working capital		
Taxes receivable	(843,977)	(100,264)
Accounts receivable	(353,695)	355,369
Trust account balances	0	4,365
Accounts payable and accrued liabilities	(981,029)	331,839
Prepaid expenses	(30,863)	(1,857)
Inventory	(59,212)	(21,259)
Deferred revenue	456,752	199,710
Deferred grants	<u>(24,413)</u>	<u>11,347</u>
	<u>(1,836,437)</u>	<u>779,250</u>
	<u>3,590,250</u>	<u>4,210,193</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(3,292,532)	(7,514,018)
Proceeds on disposal of tangible capital assets	<u>68,475</u>	<u>500</u>
	<u>(3,224,057)</u>	<u>(7,513,518)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Debentures (net)	<u>6,126,024</u>	<u>(420,244)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	6,492,217	(3,723,569)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>5,986,969</u>	<u>9,710,538</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ <u>12,479,186</u>	\$ <u>5,986,969</u>

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of The Corporation of the Township of Mapleton are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing, and the standards established by the Public Sector Accounting Board (PSAB) of CPA Canada. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) **ACKNOWLEDGEMENT OF RESPONSIBILITY**

The management of The Corporation of the Township of Mapleton acknowledges its responsibility for the creation and compilation of the consolidated financial statements and the following significant accounting policy decisions and related policy notes.

(b) **BASIS OF CONSOLIDATION**

- (i) These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of the Current Fund, Reserve Funds and Reserves, and include the activities of all committees of Council and the boards and municipal enterprises, which are under the control of Council:

Drayton Victoria Cemetery  
Hollen Cemetery  
Township of Mapleton Committee of Adjustments  
Moorefield General and Street Lights  
Alma Street Lights  
Glen Allan Street Lights  
Drayton Street Lights  
Rothsay Street Lights  
Riverview Heights Street Lights  
Hollen Street Lights

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenditures.

- (ii) **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 Wellington are not reflected in the municipal fund balances of these financial statements. Overlevies (underlevies) are reported on the consolidated statement of financial position as accounts payable and accrued liabilities (accounts receivable).
- (iii) Trust funds amounting to \$195,248 (2016 - \$174,388) and their related operations administered by the municipality are not consolidated, but are reported separately on the trust funds statement of operations and statement of financial position.

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

(c) BASIS OF ACCOUNTING

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting.
- (ii) 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.
- (iii) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Consolidated Statement of Financial Position, under "Amounts to be Recovered".

(d) REVENUE RECOGNITION

Revenues are recognized as follows:

- (i) Tax revenue is recognized as revenue when the amounts are levied on the municipality's ratepayers.
- (ii) Fines and donations are recognized when collected.
- (iii) Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.
- (iv) Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur providing the transfers are authorized, and eligibility criteria have been met and reasonable estimates of the amounts can be made.
- (v) Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of operations in the year in which it is used for a specific purpose.

(e) CASH AND CASH EQUIVALENTS

The municipality's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn. Cash equivalents are defined as short term investments maturing in less than a year.

(f) DEFERRED REVENUE

The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

(g) AMOUNTS TO BE RECOVERED

Amounts to be recovered are reported in the municipal position on the Consolidated Statement of Financial Position. The balance represents the outstanding principal portion of unmatured long term liabilities, liabilities not yet due, and other future expenditures not yet levied on the ratepayers.

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(h) NON-FINANCIAL ASSETS

Non-financial assets are not 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 expenses, provides the Change in Net Financial Assets for the year.

(i) Tangible capital assets

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

Buildings	25 to 50 years
Vehicles and machinery	17 to 20 years
Equipment	5 to 15 years
Infrastructure:	
Roads	10 to 50 years
Bridges and culverts	20 to 50 years
Water, wastewater and storm water	25 to 60 years
Traffic signals/street signs, streetlights	20 years
Sidewalks	50 years

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

(ii) Contributions of tangible capital assets

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

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(iv) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost.

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(i) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The municipality initially measures its financial assets and liabilities at fair value.

The municipality subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net surplus.

Financial assets measured at amortized cost include cash and cash equivalents, taxes receivable and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and debentures payable.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net earnings. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net earnings.

Transaction costs

The municipality recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(i) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future. Significant areas requiring management's estimates include the useful lives of tangible capital assets and the valuation of accrued liabilities.

**2. FINANCIAL INSTRUMENTS**

Unless otherwise noted, it is the municipality's opinion that the municipality is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from their financial instruments.

The extent of the municipality's exposure to these risks did not change in 2017 compared to the previous period.

The municipality does not have a significant exposure to any individual customer or counterpart.

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**3. DEBENTURES PAYABLE**

(a) The balance of debentures payable on the Consolidated Statement of Financial Position is made up of the following:

	<b>2017</b>	<b>2016</b>
Fifteen year debenture to finance construction of a new medical centre. The coupon rate fluctuates by year, increasing from 4.25% in year one to 4.85% in year fifteen. Due 2021.	\$ 328,000	\$ 402,000
Twenty year debenture for the purchase of land for expansion of a wastewater lagoon. Semi-annual repayments of \$23,750 plus interest at 4.02%. Due 2031.	665,000	712,500
Ten year debenture to assist with expansion of the wastewater lagoon. The coupon rate fluctuates by year, increasing from 1.55% in year one to 3.35% in year ten. Due 2022.	880,000	947,000
Ten year debenture to finance bridge and streetlight projects. The coupon rate is 2.18% for the entire period of the loan. Due 2025.	375,771	422,743
Five year debenture to finance bridge and streetlight projects. The coupon rate is 1.48% for the entire period of the loan. Due 2020.	199,800	266,400
Ten year debenture to finance construction of the new public works building. The coupon rate fluctuates by year, increasing from 3.55% in year one to 4.45% in year ten. Due 2025.	1,060,000	1,183,000
Twenty year debenture for construction of the maintenance facility as well as road and bridge rehabilitation. Annual repayments of \$327,555 plus interest at 3.34%. Due 2037.	<u>6,551,096</u>	<u>0</u>
Net long term liabilities at the end of the year	10,059,667	3,933,643
Less: Current portion	<u>757,626</u>	<u>425,071</u>
	<u>\$ 9,302,041</u>	<u>\$ 3,508,572</u>

Principal repayments, in aggregate, are as follows:

2018	\$ 757,626
2019	764,626
2020	770,626
2021	713,026
2022	1,153,026
Thereafter	<u>5,900,737</u>
	<u>\$10,059,667</u>

(b) Excluded from net long term liabilities reported in (a) of this note, \$42,480 in principal payments are payable from 2018 to 2022 and \$0 thereafter, and collectable from benefiting landowners for tile drainage loans.

(c) Charges for Net Long Term Liabilities  
The charges for long term liabilities assumed by individuals in the case of tile drainage loans are not reflected in these statements.

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**4. AMOUNTS TO BE RECOVERED**

The municipality will recover \$328,000 (2016 - \$402,000) of expenses for the construction of a medical centre through future operating surpluses from the operations of the medical centre. Expenditures to date have been financed from the general current fund. In fiscal 2006, a debenture was secured to provide cash flow for the construction of the medical centre, which is being repaid according to note 3 above. The first year of operations for the medical centre was fiscal 2008.

The municipality will recover \$665,000 (2016 - \$712,500) of expenses for the construction of a sewage lagoon through sewer rates to those users benefiting from the capital expenditures, as per council resolution. Expenditures to date have been financed from the general current fund. In fiscal 2011, a twenty year debenture was secured to provide cash flow for the construction of the wastewater lagoon, which is being repaid according to note 3 above.

The municipality will recover \$880,000 (2016 - \$947,000) of expenses for the expansion of a wastewater lagoon through sewer rates to those users benefiting from the capital expenditures, as per council resolution. Expenditures to date have been financed from the general current fund. In fiscal 2012, a ten year debenture was secured to provide cash flow for the expansion of the wastewater lagoon, which is being repaid according to note 3 above.

**5. BUDGET AMOUNTS**

The budgeted figures are presented for comparison purposes as prepared and approved by Council, reclassified to conform to the current financial statement presentation. The budget figures have been adjusted from the cash basis of accounting as originally prepared, and restated to conform to the accrual basis of accounting.

**6. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF WELLINGTON**

Further to note 1 (a)(ii), the taxation, other revenues, expenditures and overlevies (underlevies) of the school boards and the County of Wellington are comprised of the following:

	<b>School Boards</b>	<b>County</b>
Taxation and user charges	\$ 3,371,188	\$ 9,085,647
Requisitions paid	<u>(3,371,188)</u>	<u>(9,085,647)</u>
Overlevies (underlevies) at the end of the year	\$ <u>0</u>	\$ <u>0</u>

**7. PENSION AGREEMENT**

The municipality began making contributions to the Ontario Municipal Employees' Retirement System (OMERS), which is a multi-employer plan, in September 2014. This plan is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS for 2017 was \$131,501 (2016 - \$132,276), and the contribution rates for 2017 ranged from 9% to 15.8%.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2017

8. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

	DEC 31, 2016	CONTRIBUTIONS RECEIVED	INVESTMENT INCOME	REVENUE RECOGNIZED	DEC 31, 2017
Development charges	\$ 1,390,702	\$ 268,184	\$ 15,248	\$ 0	\$ 1,674,134
Recreational land (in lieu of park land)	71,760	2,850	787	0	75,397
Gas tax	<u>142,470</u>	<u>309,074</u>	<u>1,561</u>	<u>(140,952)</u>	<u>312,153</u>
	<u>\$ 1,604,932</u>	<u>\$ 580,108</u>	<u>\$ 17,596</u>	<u>\$ (140,952)</u>	<u>\$ 2,061,684</u>

9. TANGIBLE CAPITAL ASSETS

	Net 2017	Net 2016
General		
Land	\$ 2,018,699	\$ 2,018,699
Buildings	10,466,114	10,633,745
Vehicles and machinery	2,481,425	2,778,074
Recreation area and equipment	1,258,927	1,121,335
Infrastructure		
Roads	13,390,636	13,690,175
Bridges and culverts	7,621,435	6,323,176
Water works and sanitary sewer	7,819,355	7,806,461
Street signs/lights and sidewalks	<u>1,324,166</u>	<u>1,385,772</u>
	<u>\$ 46,380,757</u>	<u>\$ 45,757,437</u>

10. SEGMENTED INFORMATION

The Corporation of the Township of Mapleton is a diversified municipal government institution that provides a wide range of services to its citizens, including fire and water. For management reporting purposes, the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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**10. SEGMENTED INFORMATION** (continued)

General Government

General Government department consists of the CAO, Clerk and Finance departments. The office of the CAO is responsible for the effective overall management of the municipality including implementing policies and procedures that protect the assets and resources of the municipality. The Clerk's department is responsible for all necessary information flowing through to members of council, issuing all licenses, birth and death registrations, along with the administration of sale of cemetery plots and burials through the municipality's cemetery by-law. The Finance department is responsible for all financial functions including payroll, accounts payable and receivable, property tax billing and water and sewer billings.

Protection to persons and property

The Protection Services department consists of the municipality's building and fire department. The building and by-law enforcement department facilitates and encourages public safety, within the framework of Federal, Provincial, County and Municipal laws. The fire department consists of volunteer firefighters who are dedicated to emergency response throughout the municipality including fire, rescue and medical response. In addition, the fire department provides fire safety and prevention education along with complete home inspections.

Transportation Services

The Public Works department is responsible for the maintenance of over 370 kilometres of municipal roads and 87 bridge structures, along with the property maintenance of all municipal facilities.

Environmental Services

The Environmental Services department is responsible for water and wastewater operation including collection, treatment and testing.

Social Services

The Social Services department is the newest department within the umbrella of municipal services and is being funded by the Waterloo Wellington Local Health Integration Network. The program is designed to help seniors remain in their homes for longer periods of time. In addition, a new Seniors' Centre for Excellence has opened in the Mapleton Community Health Centre, being a one stop resource centre for seniors and their caregivers.

Recreation and Cultural Services

The Recreation department is responsible for PMD Arena operations, Maryborough Community Hall, burials and maintenance at the Drayton and Hollen Cemeteries, and turf maintenance at all municipal facilities, parks and playing fields in Alma, Drayton, Glen Allen and Moorefield.

Planning and Development

The Planning and Development department is responsible for all planning applications, including zoning, minor variances and site plans, which involves circulating applications to various commenting agencies prior to final approval by Council. The department receives inquiries regarding permitted uses and set back requirements.

**11. COMPARATIVE FIGURES**

Certain figures presented for comparative purposes have been reclassified to conform to the current year's presentation.

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

*Schedule 1*

	General Government	Protection Services	Transportation Services	Environmental Services	Social Services	Recreation and Cultural Services	Planning and Development	Health Services/ Medical Centre	2017
<b>EXPENSES</b>									
Salaries and benefits	\$ 588,072	\$ 621,715	\$ 871,899	\$ 137,666	\$ 108,094	\$ 425,427	\$ 182,125	\$ 57,892	\$ 2,992,890
Materials	170,795	191,057	1,007,927	357,324	63,099	435,060	127,369	62,159	2,414,790
Contracted services	279,015	136,414	195,883	260,003	475	14,133	20,264	0	906,187
Rents and financial expenses	16,469	0	26,955	54,095	9,542	968	0	19,112	127,141
Amortization	42,174	89,152	2,203,167	216,740	0	109,171	0	8,808	2,669,212
Other	500	185,367	0	0	0	0	0	0	185,867
	<u>\$ 1,097,025</u>	<u>\$ 1,223,705</u>	<u>\$ 4,305,831</u>	<u>\$ 1,025,828</u>	<u>\$ 181,210</u>	<u>\$ 984,759</u>	<u>\$ 329,758</u>	<u>\$ 147,971</u>	<u>\$ 9,296,087</u>

	General Government	Protection Services	Transportation Services	Environmental Services	Social Services	Recreation and Cultural Services	Planning and Development	Health Services/ Medical Centre	2016
<b>EXPENSES</b>									
Salaries and benefits	\$ 666,327	\$ 598,617	\$ 842,744	\$ 126,505	\$ 116,986	\$ 407,182	\$ 179,481	\$ 51,786	\$ 2,989,628
Materials	164,795	184,019	854,839	373,264	70,621	432,201	68,437	74,836	2,223,012
Contracted services	129,053	29,874	380,779	283,976	655	13,867	5,029	0	843,233
Rents and financial expenses	17,139	0	29,741	57,000	10,042	1,017	0	22,470	137,409
Amortization	50,555	106,869	2,640,974	259,813	0	130,867	0	10,559	3,199,637
Other	13,577	180,450	0	0	0	0	0	0	194,027
	<u>\$ 1,041,446</u>	<u>\$ 1,099,829</u>	<u>\$ 4,749,077</u>	<u>\$ 1,100,558</u>	<u>\$ 198,304</u>	<u>\$ 985,134</u>	<u>\$ 252,947</u>	<u>\$ 159,651</u>	<u>\$ 9,586,946</u>

See notes to the consolidated financial statements

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Schedule 2

	Land	Buildings	Vehicles and Machinery	Recreation area and Equipment	Roads	Bridges and Culverts	Water Works/ Sanitary sewer	Street Signs/lights and Sidewalks	2017
<b>COST</b>									
Balance, beginning of year	\$ 2,018,699	\$ 12,462,362	\$ 5,447,232	\$ 2,101,196	\$ 70,694,957	\$ 13,033,923	\$ 11,548,965	\$ 2,395,587	\$119,702,921
Additions during the year	0	0	0	167,358	17,447	0	474	0	185,279
Disposals during the year	0	0	0	0	0	0	0	0	0
Assets under construction	0	109,258	0	176,891	1,056,914	1,517,634	246,556	0	3,107,253
Balance, end of year	<u>2,018,699</u>	<u>12,571,620</u>	<u>5,447,232</u>	<u>2,445,445</u>	<u>71,769,318</u>	<u>14,551,557</u>	<u>11,795,995</u>	<u>2,395,587</u>	<u>122,995,453</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	0	1,828,617	2,669,158	979,861	57,004,782	6,710,747	3,742,504	1,009,815	73,945,484
Amortization for the year	0	276,889	296,649	206,657	1,373,900	219,375	234,136	61,606	2,669,212
Accumulated amortization on disposals	0	0	0	0	0	0	0	0	0
Balance, end of year	<u>0</u>	<u>2,105,506</u>	<u>2,965,807</u>	<u>1,186,518</u>	<u>58,378,682</u>	<u>6,930,122</u>	<u>3,976,640</u>	<u>1,071,421</u>	<u>76,614,696</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 2,018,699</u>	<u>\$ 10,466,114</u>	<u>\$ 2,481,425</u>	<u>\$ 1,258,927</u>	<u>\$ 13,390,636</u>	<u>\$ 7,621,435</u>	<u>\$ 7,819,355</u>	<u>\$ 1,324,166</u>	<u>\$ 46,380,757</u>

	Land	Buildings	Vehicles and Machinery	Recreation area and Equipment	Roads	Bridges and Culverts	Water Works/ Sanitary sewer	Street Signs/lights and Sidewalks	2016
<b>COST</b>									
Balance, beginning of year	\$ 2,018,699	\$ 8,467,766	\$ 4,712,392	\$ 1,872,365	\$ 69,826,608	\$ 11,872,992	\$ 11,041,167	\$ 2,376,914	\$112,188,903
Additions during the year	0	0	734,840	228,831	147,637	0	0	18,673	1,129,981
Disposals during the year	0	0	0	0	0	0	0	0	0
Assets under construction	0	3,994,596	0	0	720,712	1,160,931	507,798	0	6,384,037
Balance, end of year	<u>2,018,699</u>	<u>12,462,362</u>	<u>5,447,232</u>	<u>2,101,196</u>	<u>70,694,957</u>	<u>13,033,923</u>	<u>11,548,965</u>	<u>2,395,587</u>	<u>119,702,921</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	0	1,701,561	2,371,748	814,349	54,889,075	6,492,259	3,528,646	948,209	70,745,847
Amortization for the year	0	127,056	297,410	165,512	2,115,707	218,488	213,858	61,606	3,199,637
Accumulated amortization on disposals	0	0	0	0	0	0	0	0	0
Balance, end of year	<u>0</u>	<u>1,828,617</u>	<u>2,669,158</u>	<u>979,861</u>	<u>57,004,782</u>	<u>6,710,747</u>	<u>3,742,504</u>	<u>1,009,815</u>	<u>73,945,484</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 2,018,699</u>	<u>\$ 10,633,745</u>	<u>\$ 2,778,074</u>	<u>\$ 1,121,335</u>	<u>\$ 13,690,175</u>	<u>\$ 6,323,176</u>	<u>\$ 7,806,461</u>	<u>\$ 1,385,772</u>	<u>\$ 45,757,437</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWNSHIP OF MAPLETON  
 CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS  
 AS AT DECEMBER 31, 2017

Schedule 3

	2017	2016
<b>SURPLUSES</b>		
Invested in tangible capital assets	\$ 36,321,090	\$ 41,823,794
Current fund	<u>867,174</u>	<u>(2,942,631)</u>
	<u>37,188,264</u>	<u>38,881,163</u>
<b>RESERVE FUNDS</b>		
Building	393,107	175,506
Drayton and Moorefield water and sewer	<u>1,940,184</u>	<u>1,914,856</u>
	<u>2,333,291</u>	<u>2,090,362</u>
<b>RESERVES</b>		
<b>Capital Reserves</b>		
Administration Reserve	1,179,626	1,143,953
Protection Services Reserve	24,463	25,348
Transportation Services Reserve	3,289,177	567,374
Drayton Cemetery Reserve	5,000	0
Recreation - Parks Reserve	2,879	2,879
Recreation - Facilities Reserve	<u>140,000</u>	<u>0</u>
	<u>4,641,145</u>	<u>1,739,554</u>
<b>Special Purpose Reserves</b>		
Working Capital Reserve	633,953	633,953
Protection Services Reserve	172,429	121,616
Transportation Services Reserve	2,296,486	1,239,543
Environmental Services Reserve	437,795	254,627
Cemetery Reserve	78,119	82,119
Recreation - Parks Reserve	291,643	245,933
Recreation - Facilities Reserve	433,126	287,484
Planning and Development Reserve	<u>17,158</u>	<u>121,105</u>
	<u>4,360,709</u>	<u>2,986,380</u>
	<u>9,001,854</u>	<u>4,725,934</u>
	<u>\$ 48,523,409</u>	<u>\$ 45,697,459</u>



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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Mapleton:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the trust funds of The Corporation of the Township of Mapleton, which comprise the statement of financial position of the trust funds as at December 31, 2017 and statement of operations of the trust funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the Township of Mapleton as at December 31, 2017 and the results of their operations for the year then ended in accordance with Canadian public sector accounting standards.

Guelph, Ontario  
August 14, 2018

Chartered Professional Accountants  
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MAPLETON  
TRUST FUNDS - STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Drayton Cemetery (note 2)	Hollen Cemetery (note 3)	Total 2017	Total 2016
<b>BALANCE, beginning of year</b>	\$ 126,758	\$ 47,630	\$ 174,388	\$ 169,493
<b>CAPITAL RECEIPTS</b>				
Investment income	0	0	0	265
Sale of plots, maintenance fees	4,170	16,690	20,860	4,630
	<u>4,170</u>	<u>16,690</u>	<u>20,860</u>	<u>4,895</u>
<b>EXPENDITURE</b>				
Transfer to Township of Mapleton	0	0	0	0
Repayment to Province of Ontario	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>BALANCE, end of year</b>	\$ 130,928	\$ 64,320	\$ 195,248	\$ 174,388

THE CORPORATION OF THE TOWNSHIP OF MAPLETON  
TRUST FUNDS - STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2017

	Drayton Cemetery	Hollen Cemetery	Total 2017	Total 2016
<b>ASSETS</b>				
Cash	\$ 74,719	\$ 32,732	\$ 107,451	\$ 106,297
Trust company certificates	49,507	14,715	64,222	64,222
Due from Township of Mapleton	6,702	16,873	23,575	3,869
	<u>6,702</u>	<u>16,873</u>	<u>23,575</u>	<u>3,869</u>
<b>BALANCE, Capital</b>	\$ 130,928	\$ 64,320	\$ 195,248	\$ 174,388

See notes to the financial statements

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON  
TRUST FUNDS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**1. ACCOUNTING POLICIES**

These trust funds have not been consolidated with the financial statements of The Corporation of the Township of Mapleton.

**2. DRAYTON VICTORIA CEMETERY SCHEDULE OF PERPECTUAL CARE FUND**

<b>Description</b>	<b>Cost</b>	<b>Market Value</b>
Bank GIC, interest at 2.26%, maturing May 25, 2020	\$ 49,489	\$ 49,507
Bank deposit	<u>74,719</u>	<u>74,719</u>
	<u>\$ 124,208</u>	<u>\$ 124,226</u>

**3. HOLLEN CEMETERY SCHEDULE OF PERPECTUAL CARE FUND**

<b>Description</b>	<b>Cost</b>	<b>Market Value</b>
Bank Bond Fund	\$ 14,102	\$ 14,715
Bank deposit	<u>32,732</u>	<u>32,732</u>
	<u>\$ 46,834</u>	<u>\$ 47,447</u>