

The Corporation of the Township of Mapleton

Consolidated Financial Statements

December 31, 2022

The Corporation of the Township of Mapleton

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED December 31, 2022

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Change in Net Financial Assets	5
Consolidated Statement of Cash Flow	6
Notes to the Consolidated Financial Statements	7 - 16
Consolidated Schedule of Segmented Disclosure	17
Consolidated Schedule of Tangible Capital Assets	18
Consolidated Schedule of Accumulated Surplus	19
Trust Funds	
INDEPENDENT AUDITOR'S REPORT	20
Statement of Financial Position	22
Statement of Operations	23
Notes to the Financial Statements	24

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Mapleton, which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Mapleton as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of 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 Corporation of the Township of Mapleton 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 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 corporation'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 corporation'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 corporation 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.



Guelph, Ontario
June 13, 2023

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Township of Mapleton

Consolidated Statement of Financial Position

As At December 31, 2022

	2022	2021 (note 11)
Financial Assets		
Cash and short term investments	\$ 19,095,385	\$ 20,814,897
Taxes receivable	1,442,761	1,217,995
Trade and other receivables	1,621,053	1,880,498
	<u>22,159,199</u>	<u>23,913,390</u>
Liabilities		
Accounts payable and accrued liabilities	4,399,857	2,637,328
Deferred revenue (note 8)	1,409,945	3,390,486
Deferred grants	54,513	-
Current portion of debentures payable (note 3)	671,709	1,216,895
	<u>6,536,024</u>	<u>7,244,709</u>
Debentures Payable (note 3)	8,644,158	8,797,867
	<u>15,180,182</u>	<u>16,042,576</u>
Total net financial assets	<u>6,979,017</u>	<u>7,870,814</u>
Non Financial Assets		
Tangible capital assets (schedule 2)	57,925,741	52,379,398
Inventory	69,664	74,272
Prepaid expenses	57,657	47,851
	<u>58,053,062</u>	<u>52,501,521</u>
Accumulated surplus (deficit) - ending	<u>\$ 65,032,079</u>	<u>\$ 60,372,335</u>

See notes to the consolidated financial statements

The Corporation of the Township of Mapleton

Consolidated Statement of Operations

For the Year Ended December 31, 2022

	2022 Budget (note 5)	2022	2021 (note 11)
Revenue			
Net taxation	\$ 8,844,192	\$ 9,001,722	\$ 8,586,951
Federal funding	16,000	40,180	65,854
Ontario funding	1,475,000	2,168,040	1,771,805
Fee from other municipalities	64,946	54,934	91,682
Fees and service charges	2,607,465	2,427,927	1,969,591
Penalties and interest on taxes	155,154	206,310	204,155
Interest, donations and other	141,586	756,304	294,466
Medical centre	160,000	165,890	165,408
Obligatory reserve funds revenue recognized (note 8)	333,865	2,651,770	990,684
Licenses & permits	596,754	435,486	647,599
Gain (loss) on disposal of tangible capital assets	-	80,000	19,066
Total revenues	14,394,962	17,988,563	14,807,261
Expenses (schedule 1)			
General government	1,638,637	1,797,643	1,372,182
Protection to persons and property	1,477,419	1,439,840	1,376,285
Transportation services	5,660,588	6,008,840	5,506,103
Environmental services	1,220,885	1,598,625	1,236,455
Health services	216,819	164,003	157,189
Social and family services	193,421	262,479	230,782
Recreation and cultural services	1,434,232	1,490,889	1,188,849
Planning and development	614,901	566,500	492,739
Total expenses	12,456,902	13,328,819	11,560,584
Annual surplus (deficit)	1,938,060	4,659,744	3,246,677
Accumulated surplus at beginning of the year		60,372,335	57,125,658
Accumulated surplus (deficit) - ending		\$ 65,032,079	\$ 60,372,335

See notes to the consolidated financial statements

The Corporation of the Township of Mapleton

Consolidated Statement of Change in Net Financial Assets

For the Year Ended December 31, 2022

	2022 Budget (note 5)	2022 Actual	2021 Actual (note 11)
Annual surplus	\$ 1,938,060	\$ 4,659,744	\$ 3,246,677
Acquisition of tangible capital assets	(6,192,885)	(8,775,028)	(6,544,037)
Amortization of tangible assets	3,179,334	3,078,685	3,179,334
Loss(gain) on disposal of tangible capital assets	-	(80,000)	(19,066)
Proceeds of disposal of tangible capital assets	-	230,000	77,151
	<u>(3,013,551)</u>	<u>(5,546,343)</u>	<u>(3,306,618)</u>
Consumption of supplies inventory	-	4,608	3,109
Use of prepaid expenses	-	(9,806)	(12,661)
	<u>-</u>	<u>(5,198)</u>	<u>(9,552)</u>
(Decrease) Increase in Net Financial Assets	<u>(1,075,491)</u>	<u>(891,797)</u>	<u>(69,493)</u>
Net Financial Assets (Net Debt), beginning of year		7,870,814	7,940,307
Net Financial Assets, end of the year		<u>\$ 6,979,017</u>	<u>\$ 7,870,814</u>

See notes to the consolidated financial statements

The Corporation of the Township of Mapleton

Consolidated Statement of Cash Flow

For the Year Ended December 31, 2022

	2022	2021 (note 11)
Cash Provided by (used in) Operating Activities		
Annual surplus	\$ 4,659,744	\$ 3,246,677
Items not requiring an outlay of cash		
Amortization	3,078,685	3,179,334
Loss (gain) on disposal of tangible capital assets	(80,000)	(19,066)
	<u>2,998,685</u>	<u>3,160,268</u>
Net changes in non-cash working capital		
Taxes receivable	(224,766)	296,095
Trade and other receivables	259,445	(91,197)
Accounts payable and accrued liabilities	1,762,529	(239,078)
Prepaid	(9,806)	(12,661)
Inventory	4,608	3,109
Deferred revenue	(1,980,541)	558,355
Deferred grants	54,513	-
	<u>(134,018)</u>	<u>514,623</u>
	<u>7,524,411</u>	<u>6,921,568</u>
Cash Provided by (used in) Capital Activities		
Acquisition of tangible capital assets	(8,775,028)	(6,544,037)
Proceeds on disposal of tangible capital assets	230,000	77,151
	<u>(8,545,028)</u>	<u>(6,466,886)</u>
Cash Provided by (used in) Financing Activities		
Debentures (net)	(698,895)	2,247,974
Net Increase in Cash	(1,719,512)	2,702,656
Cash and short term investments, beginning of year	20,814,897	18,112,241
Cash and short term investments, end of the year	<u>\$ 19,095,385</u>	<u>\$ 20,814,897</u>

See notes to the consolidated financial statements

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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. Over levies (under levies) are reported on the consolidated statement of financial position as accounts payable and accrued liabilities (accounts receivable).
- iii) Trust funds amounting to \$319,531 (2021-\$308,878) 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, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Schedule of Accumulated Surplus within the Current Fund balance.

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 SHORT TERM INVESTMENTS

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, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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:

Building	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. Minor subclasses such as mechanical or electrical components are amortized by the declining balance method at 5%, small parts at 10% and IT components at 30%.

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, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Impairments

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.

J. 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 2022 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, 2022

3. DEBENTURES PAYABLE

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

	2022	2021
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	\$ 427,500	\$ 475,000
Ten year debenture to refinance the 2012 expansion of the wastewater lagoon. The coupon rate fluctuates by year, increasing from 1.05% in year one to 2.44% in year ten. Due 2032. In 2021 (1.55% in year one to 3.35% in year ten, due 2022)	518,000	598,000
Ten year debenture to finance bridge and streetlight projects. The coupon rate is 2.18% for the entire period of the loan. Due 2025.	140,914	187,886
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	419,000	552,000
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.	4,913,322	5,240,876
Thirty year debenture for the construction of the water tower. Semi Annual repayments at a rate of 2.82% per annum. The Semi Annual payment for principal and interest is \$73,461. Due 2051.	2,897,131	2,961,000
Net long term liabilities at the end of the year	9,315,867	10,014,762
Less: Current portion	671,709	1,216,895
	<u>\$ 8,644,158</u>	<u>\$ 8,797,867</u>

Principal payments

Principal repayments, in aggregate, are as follows:

2023	\$ 671,709
2024	678,575
2025	683,493
2026	496,494
2027	499,523
Thereafter	6,286,073
	<u>\$ 9,315,867</u>

b. The interest required to service these issued commitments is \$307,310 (2021 \$251,269). The principal and interest payments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs.

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

3. DEBENTURES PAYABLE

- c. Excluded from net long term liabilities reported in (a) of this note, \$33,021 in principal payments are payable from 2023 to 2027 and \$36,240 thereafter, and collectable from benefiting landowners for tile drainage loans
- d. The charges for long term liabilities assumed by individuals in the case of tile drainage loans are not reflected in these statements.

4. AMOUNTS TO BE RECOVERED

The municipality will recover \$427,500 (2021 \$475,000) 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 \$518,000 (2021 \$598,000) 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.

The municipality will recover \$2,897,131 (2021 \$2,961,000) of expenses for the expansion of a watertower through water 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 2021, a thirty year debenture was secured to provide cash flow for the expansion of the watertower which is being repaid according to note 3 above

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

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.

Revenues	
Approved Budget	\$ 21,335,757
Debentures	(38,252)
Transfers from reserves and reserve funds	<u>(6,902,543)</u>
Total revenues	<u>14,394,962</u>
Expenses	
Approved Budget	21,335,757
Acquisition of tangible capital assets	(6,192,885)
Debentures	(38,252)
Debt principal repayment	(618,895)
Amortization	3,179,334
Contribution from Operating to Capital and Reserves and Reserve Funds	<u>(5,208,157)</u>
Total expenses	<u>12,456,902</u>
	<u>\$ 1,938,060</u>

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

Further to note 1(b)(ii), the taxation, other revenues, expenditures and over levies (under levies) of the school boards and the County of Wellington are comprised of the following:

	School Boards	County
Taxation and user charges	\$ 3,753,422	\$ 12,032,862
Requisitions paid	3,684,482	11,874,092
Over levies (under levies) at the end of the year	<u>\$ 68,940</u>	<u>\$ 158,770</u>

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

7. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees' Retirement System (OMERS), which is a multi-employer plan, on behalf of 38 (2021-35) members of its staff.

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 2022 by the municipality was \$247,685 (2021 - \$225,506). The contribution rate for 2022 was 9.0% to 15.8% (2021- 9.0% to 15.8%) depending on age and income levels.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2022. At that time, the plan reported a \$6.68 billion actuarial deficit (2021- \$3.13 billion deficit), based on actuarial assets of \$124.38 billion (2021- \$120.92 billion). Ongoing adequacy of the current contribution rates will need to be monitored as fluctuations in financial markets may lead to increase future funding requirements.

8. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

	DEC 31, 2021	Contributions Received	Investment Income	Revenue Recognized	DEC 31, 2022
Development charges	\$ 1,943,169	\$ 295,367	\$ 19,304	\$ 2,257,840	\$ -
Recreational land (in lieu of park land)	98,657	8,400	975	-	108,032
Building Reserve Fund	1,021,710	-	10,089	63,752	968,047
Gas tax	326,950	333,865	3,229	330,178	333,866
	<u>\$ 3,390,486</u>	<u>\$ 637,632</u>	<u>\$ 33,597</u>	<u>\$ 2,651,770</u>	<u>\$ 1,409,945</u>

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

9. TANGIBLE CAPITAL ASSETS

	Net 2022	Net 2021
General		
Land	\$ 1,753,831	\$ 1,903,831
Buildings	10,717,241	10,879,877
Vehicles and machinery	3,185,626	3,288,418
Recreation area and equipment	1,967,894	1,691,285
Infrastructure		
Roads	15,381,167	14,379,440
Bridges and culverts	9,763,730	9,142,569
Water works and sanitary sewer	13,374,653	9,324,517
Street signs/lights and sidewalks	1,781,599	1,769,461
	<u>\$ 57,925,741</u>	<u>\$ 52,379,398</u>

Assets under construction amount to \$8,791,095 (2021 \$2,038,706)

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:

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.

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

10. SEGMENTED INFORMATION

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.

Health Services

Health Services is responsible for the Mapleton Community Health Centre, burials and maintenance at the Drayton and Hollen Cemeteries.

Social and Family Services

The Social and Family 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.

Recreation and Cultural Services

The Recreation department is responsible for PMD Arena operations, Maryborough Community Hall, 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

In 2022, the Township's obligatory reserve for building permits was reclassified to deferred revenue. This reclassification reduced the accumulated surplus by \$1,021,710 and increase deferred revenue by \$1,021,710.

The Corporation of the Township of Mapleton

Consolidated Schedule of Segmented Disclosure

For the Year Ended December 31, 2022

	General government	Protection services	Transportation services	Environmental services	Health services	Social and Family Services	Recreation and cultural services	Planning and development	2022
Salaries, wages, employee benefits	\$ 1,019,493	\$ 643,047	\$ 1,318,470	\$ 98,159	\$ 83,550	\$ 151,932	\$ 685,224	\$ 246,377	\$ 4,246,252
Materials	319,691	302,158	1,515,311	419,296	44,540	77,329	276,238	291,102	3,245,665
Contracted services	222,735	308,021	537,835	341,298	-	14,107	21,263	16,883	1,462,142
Utilities & Insurance costs	100,161	69,329	218,020	100,976	35,091	8,911	289,447	4,162	826,097
Financial expenses	21,446	-	186,349	249,781	-	10,200	2,202	-	469,978
Amortization of tangible assets	114,117	117,285	2,232,855	389,115	822	-	216,515	7,976	3,078,685
	\$ 1,797,643	\$ 1,439,840	\$ 6,008,840	\$ 1,598,625	\$ 164,003	\$ 262,479	\$ 1,490,889	\$ 566,500	\$ 13,328,819

	General government	Protection services	Transportation services	Environmental services	Health services	Social and Family Services	Recreation and cultural services	Planning and development	2021
Salaries, wages, employee benefits	\$ 868,784	\$ 733,526	\$ 1,259,308	\$ 85,651	\$ 57,485	\$ 138,767	\$ 541,239	\$ 216,826	\$ 3,901,586
Materials	158,486	316,343	1,047,266	264,786	43,332	57,530	211,659	256,973	2,356,375
Contracted services	134,368	131,608	414,689	318,788	-	15,402	14,052	6,090	1,034,997
Utilities & Insurance costs	82,465	67,356	192,398	96,837	28,214	8,883	218,862	4,031	699,046
Financial expenses	20,027	-	199,021	152,722	4,268	10,200	3,008	-	389,246
Amortization of tangible assets	108,052	127,452	2,393,421	317,671	23,890	-	200,029	8,819	3,179,334
	\$ 1,372,182	\$ 1,376,285	\$ 5,506,103	\$ 1,236,455	\$ 157,189	\$ 230,782	\$ 1,188,849	\$ 492,739	\$ 11,560,584

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, 2022

	Land	Buildings	Vehicles and Machinery	Recreation area and Equipment	Roads	Bridges and Culverts	Water Works Sanitary sewers	Street Signs/lights and Sidewalks	2022
COST									
Balance, beginning of year	\$ 1,903,831	\$ 14,002,181	\$ 6,775,590	\$ 3,816,685	\$ 80,862,679	\$ 17,377,863	\$ 13,271,189	\$ 3,205,810	\$ 141,215,828
Additions during the year	-	155,409	168,719	479,203	2,496,457	1,007,416	4,361,901	105,923	8,775,028
Disposals during the year	150,000	-	19,631	-	323,435	63,548	-	-	556,614
Balance, end of the year	1,753,831	14,157,590	6,924,678	4,295,888	83,035,701	18,321,731	17,633,090	3,311,733	149,434,242
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	3,122,304	3,487,172	2,125,400	66,483,239	8,235,294	3,946,672	1,436,349	88,836,430
Amortization for the year	-	318,045	271,511	202,594	1,494,730	386,255	311,765	93,785	3,078,685
Accumulated amortization on disposal	-	-	19,631	-	323,435	63,548	-	-	406,614
Balance, end of the year	-	3,440,349	3,739,052	2,327,994	67,654,534	8,558,001	4,258,437	1,530,134	91,508,501
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1,753,831	\$ 10,717,241	\$ 3,185,626	\$ 1,967,894	\$ 15,381,167	\$ 9,763,730	\$ 13,374,653	\$ 1,781,599	\$ 57,925,741

	Land	Buildings	Vehicles and Machinery	Recreation area and Equipment	Roads	Bridges and Culverts	Water Works Sanitary sewers	Street Signs/lights and Sidewalks	2021
COST									
Balance, beginning of year	\$ 1,753,831	\$ 13,583,272	\$ 6,975,381	\$ 3,654,149	\$ 78,512,420	\$ 16,574,342	\$ 11,295,189	\$ 2,707,169	\$ 135,055,753
Additions during the year	150,000	418,909	184,171	162,536	2,350,259	803,521	1,976,000	498,641	6,544,037
Disposals during the year	-	-	383,962	-	-	-	-	-	383,962
Balance, end of the year	1,903,831	14,002,181	6,775,590	3,816,685	80,862,679	17,377,863	13,271,189	3,205,810	141,215,828
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	2,822,031	3,535,096	1,897,327	64,879,638	7,850,477	3,645,594	1,352,810	85,982,973
Amortization for the year	-	300,273	277,953	228,073	1,603,601	384,817	301,078	83,539	3,179,334
Accumulated amortization on disposal	-	-	325,877	-	-	-	-	-	325,877
Balance, end of the year	-	3,122,304	3,487,172	2,125,400	66,483,239	8,235,294	3,946,672	1,436,349	88,836,430
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1,903,831	\$ 10,879,877	\$ 3,288,418	\$ 1,691,285	\$ 14,379,440	\$ 9,142,569	\$ 9,324,517	\$ 1,769,461	\$ 52,379,398

See notes to the consolidated financial statements

The Corporation of the Township of Mapleton

Consolidated Schedule of Accumulated Surplus

For the Year Ended December 31, 2022

	2022	2021
SURPLUSES		
Invested in tangible capital assets = TCAs less debentures	\$ 48,609,874	\$ 42,364,636
Current Fund	675,177	524,599
	<u>49,285,051</u>	<u>42,889,236</u>
RESERVE FUNDS		
Discretionary Environmental Reserve Fund	4,662,750	5,485,255
RESERVES		
Capital Reserve	8,588,453	9,346,964
Protective Service Reserve	543,857	374,083
Cemetery Reserve	-	103,119
Labour Relation Reserve	258,433	258,433
Tax Rate Stabilization Reserve	1,431,535	1,678,246
Elections Reserve	20,000	20,000
Winter Control Reserve	242,000	217,000
	<u>11,084,278</u>	<u>11,997,845</u>
Accumulated surplus	<u>\$ 65,032,079</u>	<u>\$ 60,372,335</u>

See notes to the consolidated financial statements

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and the statement of operations of the trust funds 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 trust funds of The Corporation of the Township of Mapleton as at December 31, 2022 and the results of their operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis of 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 Corporation of the Township of Mapleton 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 trust funds' ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the trust funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the trust funds' 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 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 trust funds' 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 trust funds' 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 trust funds 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.

Handwritten signature of RLB LLP in black ink.

Guelph, Ontario
June 13, 2023

Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Township of Mapleton

Trust Funds - Statement of Financial Position

As At December 31, 2022

	Drayton Cemetery	Hollen Cemetery	2022	2021
Assets				
Cash	\$ 112,128	\$ 140,449	\$ 252,577	\$ 238,725
Investments	51,167	12,828	63,995	65,501
Due from Township of Mapleton	666	2,293	2,959	4,652
Balance, Capital	\$ 163,961	\$ 155,570	\$ 319,531	\$ 308,878

See notes to the financial statements

The Corporation of the Township of Mapleton

Trust Funds - Statement of Operations

For the Year Ended December 31, 2022

	Drayton Cemetery (note 2)	Hollen Cemetery (note 3)	2022	2021
Balance, beginning of year	\$ 153,508	\$ 155,370	\$ 308,878	\$ 299,468
Capital Receipts				
Investment Income	-	-	-	-
Sales of plots, maintenance fees	10,453	200	10,653	9,410
	10,453	200	10,653	9,410
Expenditures				
Transfers to Township of Mapleton	-	-	-	-
Repayment to Province of Ontario	-	-	-	-
	-	-	-	-
Balance, end of year	\$ 163,961	\$ 155,570	\$ 319,531	\$ 308,878

See notes to the financial statements

The Corporation of the Township of Mapleton

Notes to the Financial Statements

For the Year Ended December 31, 2022

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 Perpetual Care Fund

	Cost	Market Value
Bank GIC, interest at 1.8% maturing May 25 ,2023	\$ 50,465	\$ 51,167
Bank Deposit	112,128	112,128
	\$ 162,593	\$ 163,295

3. Hollen Cemetery Schedule of Perpetual Care Fund

	Cost	Market Value
Bank Bond Fund	\$ 14,102	\$ 12,828
Bank deposit	140,449	140,449
	\$ 154,551	\$ 153,277