

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
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YEAR ENDED DECEMBER 31, 2025

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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, 2025 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Township of Mapleton as at December 31, 2025 and the consolidated results of its operations, change in its net financial assets 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 Consolidated 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 consolidated 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 Consolidated 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 Consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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
April 28, 2026

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and short term investments	\$ 17,890,086	\$ 19,863,510
Taxes receivable	2,119,791	2,710,237
Non-tax account receivables	1,371,240	2,084,639
Due from Northern Maple Utilities Inc. (note 8)	1,530,026	0
Investment in Northern Maple Utilities Inc. (note 8)	<u>3,263,966</u>	<u>0</u>
	<u>26,175,109</u>	<u>24,658,386</u>
LIABILITIES		
Accounts payable and accrued liabilities	1,793,545	3,562,113
Deferred revenue - obligatory reserve funds (note 4)	2,785,461	(528,839)
Deferred revenue - other	1,094,837	875,651
Current portion of debentures payable (note 5)	<u>340,782</u>	<u>702,381</u>
	6,014,625	4,611,306
Debentures payable (note 5)	<u>3,796,269</u>	<u>7,495,276</u>
	<u>9,810,894</u>	<u>12,106,582</u>
NET FINANCIAL ASSETS	<u>16,364,215</u>	<u>12,551,804</u>
NON - FINANCIAL ASSETS		
Inventory	66,661	82,749
Prepaid expenses	62,701	29,081
Tangible capital assets (schedule 2)	<u>65,662,468</u>	<u>62,981,488</u>
	<u>65,791,830</u>	<u>63,093,318</u>
ACCUMULATED SURPLUS (schedule 3)	<u>\$ 82,156,045</u>	<u>\$ 75,645,122</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Budget (note 9)	2025 Actual	2024 Actual
REVENUES			
Taxation	\$ 10,592,123	\$ 10,695,821	\$ 10,381,547
Federal funding	20,000	4,408	485,830
Provincial funding	2,246,943	2,835,333	2,280,415
Fees from other municipalities	99,444	139,252	116,239
Fees and service charges	3,236,114	1,348,345	3,130,272
Penalties and interest on taxes	197,800	298,058	250,822
Interest, donations and other	283,690	858,103	977,102
Medical centre	161,700	156,100	156,100
Obligatory reserve funds (note 4)	993,953	867,098	3,446,618
Licenses and permits	623,480	669,808	523,582
(Loss) gain on disposal of tangible capital assets	0	(18,617)	59,423
Equity income from Northern Maple Utilities Inc. (note 8)	0	1,275,783	0
	<u>18,455,247</u>	<u>19,129,492</u>	<u>21,807,950</u>
EXPENDITURES (schedule 1)			
General government	2,250,464	2,580,296	2,537,767
Protection to persons and property	1,887,242	1,931,921	1,793,554
Transportation services	6,435,464	6,181,338	5,731,861
Environmental services	1,921,237	505,935	1,970,582
Health services	159,110	155,341	148,792
Social and family services	257,079	268,286	273,559
Recreation and cultural services	1,904,026	1,938,735	1,886,379
Planning and development	753,225	829,254	545,622
	<u>15,567,847</u>	<u>14,391,106</u>	<u>14,888,116</u>
ANNUAL SURPLUS	<u>2,887,400</u>	<u>4,738,386</u>	<u>6,919,834</u>
OTHER			
Contributed tangible capital assets from Northern Maple Utilities Inc. (note 8)	0	1,772,537	0
ANNUAL SURPLUS	2,887,400	6,510,923	6,919,834
ACCUMULATED SURPLUS, beginning of year	<u>75,645,122</u>	<u>75,645,122</u>	<u>68,725,288</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 78,532,522</u>	<u>\$ 82,156,045</u>	<u>\$ 75,645,122</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 Budget (note 9)	2025 Actual	2024 Actual
Annual surplus	\$ <u>2,887,400</u>	\$ <u>6,510,923</u>	\$ <u>6,919,834</u>
Acquisition of tangible capital assets	(4,804,350)	(5,843,547)	(6,324,026)
Amortization of tangible capital assets	3,139,954	3,139,954	3,144,812
Loss (gain) on disposal of tangible capital assets	0	18,617	(59,423)
Proceeds on disposal of tangible capital assets	<u>0</u>	<u>3,996</u>	<u>100,000</u>
	<u>(1,664,396)</u>	<u>(2,680,980)</u>	<u>(3,138,637)</u>
Change in inventory	0	16,088	(1,732)
Change in prepaid expenses	<u>0</u>	<u>(33,620)</u>	<u>15,139</u>
	<u>0</u>	<u>(17,532)</u>	<u>13,407</u>
INCREASE IN NET FINANCIAL ASSETS	\$ <u><u>1,223,004</u></u>	3,812,411	3,794,604
NET FINANCIAL ASSETS at beginning of year		<u>12,551,804</u>	<u>8,757,200</u>
NET FINANCIAL ASSETS at end of year		\$ <u><u>16,364,215</u></u>	\$ <u><u>12,551,804</u></u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus for the year	\$ 6,510,923	\$ 6,919,834
Items not requiring an outlay of cash		
Equity income from Northern Maple Utilities Inc.	(1,275,783)	0
Loss (gain) on disposal of tangible capital assets	18,617	(59,423)
Amortization of tangible capital assets	<u>3,139,954</u>	<u>3,144,812</u>
	8,393,711	10,005,223
Changes in non-cash working capital		
Taxes receivable	590,446	(961,819)
Non-tax account receivables	713,399	(566,603)
Accounts payable and accrued liabilities	(1,768,568)	1,050,536
Deferred revenue - obligatory reserve funds	3,314,300	(2,329,069)
Deferred revenue - other	219,186	2,647
Inventory	16,088	(1,732)
Prepaid expenses	<u>(33,620)</u>	<u>15,139</u>
	<u>11,444,942</u>	<u>7,214,322</u>
CASH USED IN FINANCING ACTIVITIES		
Repayment of debentures payable	<u>(4,060,606)</u>	<u>(509,903)</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(5,843,547)	(6,324,026)
Proceeds on disposal of tangible capital assets	<u>3,996</u>	<u>100,000</u>
	<u>(5,839,551)</u>	<u>(6,224,026)</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Investment in Northern Maple Utilities Inc.	(1,988,183)	0
Due from Northern Maple Utilities Inc.	<u>(1,530,026)</u>	<u>0</u>
	<u>(3,518,209)</u>	<u>0</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,973,424)	480,393
NET CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>19,863,510</u>	<u>19,383,117</u>
NET CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 17,890,086</u>	<u>\$ 19,863,510</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

(a) ACKNOWLEDGEMENT OF RESPONSIBILITY

The consolidated financial statements of The Corporation of the Township of Mapleton (the "Township") are the representation of management and approved by Council. They have been prepared in accordance with accounting principles established by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants Canada.

(b) BASIS OF ACCOUNTING

Sources of financing and expenditures are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

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.

(c) REVENUE RECOGNITION

Tax revenue is recognized as revenue when the amounts are levied on the Township's ratepayers.

Interest, donations and other revenues are recognized when collected.

Other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.

Government transfers are recognized as revenue 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.

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 and accumulated surplus in the year in which it is used for a specific purpose.

(d) USE OF ESTIMATES

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. 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 estimates made by management include accrued grants receivable, useful lives of tangible capital assets, the valuation of accounts receivable and taxes receivable, accrued liabilities, post-employment benefits and asset retirement obligation.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) BASIS OF CONSOLIDATION

The consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of the Operating Fund, Capital Fund, Reserve Funds and Reserves, and include the activities of all committees of Council and the boards and municipal enterprises which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenses have been eliminated on consolidation with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenditures.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

Drayton Victoria Cemetery
Hollen Cemetery
Township of Mapleton Committee of Adjustment

(f) FINANCIAL INSTRUMENTS

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

The Township subsequently measures all its financial assets and financial liabilities at amortized cost, unless otherwise noted below.

Impairment

At the end of each reporting period, the Township assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the Township determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized. If circumstances change, a previously recognized impairment may be reversed.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(g) CASH AND CASH EQUIVALENTS

The Township'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. The Township considers all short term, highly liquid investments with an original maturity of twelve months or less to be cash equivalents.

(h) INVENTORY

Inventory held for consumption is measured 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, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) 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 expenditures as incurred.

(j) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided over the estimated useful life of the assets. The useful life of the assets is based on estimates made by Council. The following rates and methods are used:

Land	not amortized	
Building	25 to 50	years straight line basis
Vehicles and machinery	17 to 20	years straight line basis
Recreation area and equipment	5 to 15	years straight line basis
Roads	10 to 50	years straight line basis
Bridges and culverts	20 to 50	years straight line basis
Water works sanitary sewers	25 to 60	years straight line basis
Street signs/lights	20	years straight line basis
Sidewalks	50	years straight line basis

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

Tangible capital 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%.

(k) DEFERRED REVENUE

The revenue is reported on the consolidated statement of operations and accumulated surplus in the year in which it is used for the specified purpose.

(l) COUNTY AND SCHOOL BOARDS

The municipality collects taxation revenue on behalf of the County of Wellington and the school boards. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the County of Wellington and the school boards are not reflected in these consolidated financial statements. Other levies are reported on the consolidated statement of financial position as accounts payable and accrued liabilities.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) **TRUST FUNDS**

The Township acts as a trustee for a number of third parties administering the assets on their behalf. Funds held in trust by the Township, and their related operations, are not included in these consolidated financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of financial position and statement of continuity.

(n) **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.

2. FINANCIAL INSTRUMENTS

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

The extent of the Township's exposure to these risks did not change in 2025 compared to the previous period.

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

3. AMOUNTS TO BE RECOVERED

The Township will recover \$0 (2024 - \$332,500) 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 was being repaid according to note 5. The debenture was transferred to Northern Maple Utilities Inc. in 2025.

The Township will recover \$0 (2024 - \$421,000) 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 was being repaid according to note 5. The debenture was transferred to Northern Maple Utilities Inc. in 2025.

The Township will recover \$0 (2024 - \$2,763,899) expenses for the expansion of a water tower 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 wastewater lagoon, which was being repaid according to note 5. The debenture was transferred to Northern Maple Utilities Inc. in 2025.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

4. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

	Opening	Contributions Received	Investment Income	Revenue Recognized	Ending
Obligatory Reserve Funds					
Development charges \$	1,071,863	\$ 303,572	\$ 87,945	\$ (512,120)	\$ 951,260
Recreational land (in lieu of park land)	141,685	1,400	10,233	0	153,318
Building Reserve Fund	956,148	220,143	76,630	0	1,252,921
Federal gas tax	<u>387,365</u>	<u>354,978</u>	<u>40,597</u>	<u>(354,978)</u>	<u>427,962</u>
	<u>\$ 2,557,061</u>	<u>\$ 880,093</u>	<u>\$ 215,405</u>	<u>\$ (867,098)</u>	<u>\$ 2,785,461</u>

During the year, the Township transferred some development charges to Northern Maple Utilities Inc. See the below reconciliation of opening development charges balance:

\$ (2,014,037)	Development charges opening 2025
<u>3,085,900</u>	Development charges transferred to Northern Maple Utilities Inc.
<u>\$ 1,071,863</u>	Adjusted opening development charges

5. DEBENTURES PAYABLE

	2025	2024
Tile drainage loans, 6%, due 2034.	\$ 206,393	\$ 232,074
Twenty year debenture for the purchase of land for expansion of the wastewater lagoon. Semi annual repayments of \$23,750, plus interest at 4.02%. Transferred to Northern Maple Utilities Inc. in 2025.	0	332,500
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. Transferred to Northern Maple Utilities Inc. in 2025.	0	421,000
Ten year debenture to finance bridge and streetlight projects. The coupon rate is 2.18% for the entire period of the loan. Repaid in 2025.	0	46,971
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. Repaid in 2025.	0	143,000
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.	3,930,658	4,258,213

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5. DEBENTURES PAYABLE (continued)

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 was \$73,461. Transferred to Northern Maple Utilities Inc. in 2025.

	0	2,763,899
	<u>4,137,051</u>	<u>8,197,657</u>
Less current portion:		
Cash repayments required within 12 months	<u>340,782</u>	<u>702,381</u>
	<u>\$ 3,796,269</u>	<u>\$ 7,495,276</u>

Future minimum payments on debentures payable are as follows:

2026	\$ 340,782
2027	348,777
2028	350,050
2029	351,400
2030	352,831
Thereafter	<u>2,393,211</u>
	<u>\$ 4,137,051</u>

The interest required to service these issued commitments is \$145,725 (2024 - \$267,743). The principal and interest payments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

6. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees' Retirement System (OMERS), which is a multi-employer plan, on behalf of 60 (2024 - 53) 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 2025 by the Township was \$342,406 (2024 - \$321,224). The contribution rate for 2025 was 9.0% to 15.8% (2024 - 9.0% to 15.8%) depending on retirement age and income level.

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, 2025. At that time, the plan reported a \$1.32 billion funding deficit (2024 - \$2.91 billion deficit), based on an accrued pension obligation of \$149.58 billion (2024 - \$140.77 billion) and net assets available for benefits of \$145.54 billion (2024 - \$138.41 billion). Ongoing adequacy of the current contribution rates will need to be monitored as fluctuations in financial markets may lead to increased future funding requirements.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

7. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF WELLINGTON

During the year, the following taxation revenue was raised and remitted to the school boards and the Corporation of the County of Wellington:

	School Boards	County
Taxation and user charges	\$ 4,151,088	\$ 14,490,767
Share of payments in lieu of taxes	<u>0</u>	<u>27,845</u>
	4,151,088	14,518,612
Requisitions paid	<u>4,151,088</u>	<u>14,518,612</u>
Overlevies (underlevies) end of year	\$ <u>0</u>	\$ <u>0</u>

8. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

Northern Maple Utilities Inc. is a publicly owned Municipal Service Corporation that is responsible for water and wastewater operations and infrastructure throughout the Township. The financial statements of Northern Maple Utilities Inc. are prepared in accordance with Canadian public Sector Accounting Standards. The Township owns 100% of the outstanding shares of Northern Maple Utilities Inc. Northern Maple Utilities Inc. has been reported in these consolidated financial statements using the modified equity method.

The following summarizes the Township's transactions with Northern Maple Utilities Inc.:

Tangible capital assets donated to the Township: \$1,772,537.

Due from Northern Maple Utilities Inc.: \$1,530,026, unsecured, non-interest bearing, with no set repayment terms.

All transactions are in the normal course of operation, and are recorded at the exchange value based on normal commercial rates.

Northern Maple Utilities Inc. has entered a personnel services agreement with the Township in which the Township issues Northern Maple Utilities Inc. monthly invoices to cover the cost of employees made available to Northern Maple Utilities Inc.

Northern Maple Utilities Inc. has entered an operating lease agreement with the Township to provide Northern Maple Utilities Inc. the right to access the lands comprising the public properties for the purposes of operating and maintaining the facilities in addition to delivering the water and wastewater services, commenced May 14, 2025 and consideration of \$1 has been exchanged.

The investment in Northern Maple Utilities Inc. is comprised of the following:

	2025
Investment in common shares	\$ 10
Initial contribution to Northern Maple Utilities Inc.	1,988,173
Township's share of net income	<u>1,275,783</u>
	<u>\$ 3,263,966</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

8. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (continued)

The following table provides condensed supplementary financial information for Northern Maple Utilities Inc.:

	2025
Statement of Financial Position	
Assets	\$ 5,221,918
Liabilities	<u>1,970,236</u>
Net financial assets	3,251,682
Non-financial assets	<u>12,284</u>
Accumulated surplus	<u><u>\$ 3,263,966</u></u>
Statement of Operations	
Revenues	\$ 4,282,642
Expenses	<u>3,006,859</u>
Annual surplus	<u><u>\$ 1,275,783</u></u>

9. BUDGET

Under Canadian public sector accounting standards, budget amounts are to be reported on the statement of operations and changes in net financial assets for comparative purposes. The 2025 budget amounts for the Township of Mapleton, approved by Council, have been reclassified to conform to the presentation of the consolidated statements of operations and accumulated surplus and changes in net financial assets. The following is a reconciliation of the budget approved by Council:

	2025
Annual surplus under PSAB	\$ <u>2,887,400</u>
Less:	
Transfer to reserves	3,145,146
Transfer to reserve funds	406,859
Acquisition of tangible capital assets	4,804,350
Debt principal repayments	<u>704,338</u>
	<u>9,060,693</u>
Add:	
Amortization of tangible capital assets	3,139,954
Transfer from reserves	0
Transfer from reserve funds	<u>3,033,339</u>
	<u>6,173,293</u>
Budget surplus, Council approved	<u><u>\$ 0</u></u>

10. CONTINGENT LIABILITIES

The Township has been served with various claims as a result of accidents and other incidents. The Township is not aware of any possible settlements in excess of its liability coverage. The outcomes of these claims are not determinable at this time. Should any liability be determined and not covered by insurance, it will be recognized in the period when determined.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

11. MATERIAL UNCERTAINTY RELATED TO TARIFFS

As of the date of these financial statements, the Township faces material uncertainty regarding the potential impact of tariffs and trade restrictions on its operations, cost structure, and potential revenues. Ongoing changes in tariffs and international trade policies, particularly those implemented by major trading partners such as the United States of America, the European Union, and China, create uncertainty around procurement strategies, supply chain logistics, and future demand for the Township's services (e.g. building permits).

The Township recognizes that the outcome of ongoing tariff-related uncertainties and trade negotiations may materially affect its operations, financial position, and cash flows in the future if tariffs or other new trade barriers are imposed. This includes potential increases in tangible capital asset purchase costs, delays in the supply chain, and disruptions in global trade. As such, there remains a material uncertainty regarding the financial impact of these tariffs, and the full extent of the potential effects on Township cannot be reasonably estimated at this time. The Township continues to monitor and assess the evolving trade environment and is taking steps to mitigate the risks related to these potential tariffs.

12. CORRESPONDING FIGURES

The corresponding figures presented in the financial statements have been reclassified to conform to the current year's presentation.

13. SEGMENTED DISCLOSURE

The Township is a diversified municipal government institution that provides a wide range of services to its citizens, including fire, environmental, planning, community, and water services. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass 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 ensuring legislative compliance and oversees all necessary information flowing through to members of council, issuing all licenses, birth and death registrations, along with the administration and 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, insurance, debt management, investments and water and sewer billings.

Protection to Persons and Property

Protection Services department consists of the municipality's building division, by-law enforcement 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

Transportation is responsible for maintaining over 370 kilometres of municipal roads and 87 bridge structures, along with the property maintenance of all municipal facilities.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

13. SEGMENTED DISCLOSURE (continued)

Environmental Services

Environmental services is responsible for water and wastewater operations including collection, treatment and testing. Starting in 2025, these services are now administered by Northern Maple Utilities Inc.

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

Social and family services is 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

Recreation and cultural service area 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

This department 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.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2025

(Schedule 1)

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family	Recreation and Cultural	Planning and Development	Total 2025
Salaries and benefits	\$ 1,407,544	\$ 703,745	\$ 1,515,818	\$ 0	\$ 65,536	\$ 187,530	\$ 933,805	\$ 420,238	\$ 5,234,216
Materials	837,844	439,322	1,841,822	0	87,339	59,513	731,855	306,366	4,304,061
Contracted services	125,060	120,564	586,677	0	0	11,043	24,169	90,168	957,681
External transfers	84,729	496,388	0	0	0	0	0	0	581,117
Rents and financial expenses	13,987	0	280	0	0	10,200	3,886	0	28,353
Amortization	108,167	171,902	2,094,145	505,935	2,466	0	244,857	12,482	3,139,954
Interest on long term debt	<u>2,965</u>	<u>0</u>	<u>142,596</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>163</u>	<u>0</u>	<u>145,724</u>
	<u>\$ 2,580,296</u>	<u>\$ 1,931,921</u>	<u>\$ 6,181,338</u>	<u>\$ 505,935</u>	<u>\$ 155,341</u>	<u>\$ 268,286</u>	<u>\$ 1,938,735</u>	<u>\$ 829,254</u>	<u>\$14,391,106</u>

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family	Recreation and Cultural	Planning and Development	Total 2024
Salaries and benefits	\$ 1,401,574	\$ 730,560	\$ 1,486,599	\$ 112,246	\$ 57,759	\$ 177,710	\$ 881,548	\$ 319,966	\$ 5,167,962
Materials	582,241	347,309	1,410,279	763,734	87,578	73,366	743,049	187,780	4,195,336
Contracted services	361,143	101,487	537,711	431,044	989	12,283	17,788	25,177	1,487,622
External transfers	57,419	482,058	0	0	0	0	0	0	539,477
Rents and financial expenses	12,795	0	0	52,488	0	10,200	9,681	0	85,164
Amortization	116,065	132,140	2,140,093	511,154	2,466	0	233,999	8,895	3,144,812
Interest on long term debt	<u>6,530</u>	<u>0</u>	<u>157,179</u>	<u>99,916</u>	<u>0</u>	<u>0</u>	<u>314</u>	<u>3,804</u>	<u>267,743</u>
	<u>\$ 2,537,767</u>	<u>\$ 1,793,554</u>	<u>\$ 5,731,861</u>	<u>\$ 1,970,582</u>	<u>\$ 148,792</u>	<u>\$ 273,559</u>	<u>\$ 1,886,379</u>	<u>\$ 545,622</u>	<u>\$14,888,116</u>

See notes to the financial statements

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

(Schedule 2)

	Land	Buildings	Vehicles and Machinery	Recreation area and Equipment	Roads	Bridges and Culverts	Water Works Sanitary Sewers	Street Signs/ Lights and Sidewalks	2025
COST									
Balance, beginning of year	\$ 1,753,831	\$ 15,075,671	\$ 7,243,943	\$ 4,859,615	\$ 86,438,922	\$ 20,093,844	\$ 20,909,850	\$ 3,418,186	\$ 159,793,862
Additions during the year	0	148,036	639,094	197,972	1,994,774	923,436	1,772,536	167,699	5,843,547
Disposals during the year	<u>0</u>	<u>0</u>	<u>(50,344)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(66,732)</u>	<u>(117,076)</u>
Balance, end of year	<u>1,753,831</u>	<u>15,223,707</u>	<u>7,832,693</u>	<u>5,057,587</u>	<u>88,433,696</u>	<u>21,017,280</u>	<u>22,682,386</u>	<u>3,519,153</u>	<u>165,520,333</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	0	4,107,249	3,604,288	2,756,518	70,271,706	9,275,600	5,106,182	1,690,831	96,812,374
Amortization	0	383,069	390,177	215,034	1,188,541	439,895	427,676	95,562	3,139,954
Accumulated amortization disposals	<u>0</u>	<u>0</u>	<u>(50,344)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(44,119)</u>	<u>(94,463)</u>
Balance, end of year	<u>0</u>	<u>4,490,318</u>	<u>3,944,121</u>	<u>2,971,552</u>	<u>71,460,247</u>	<u>9,715,495</u>	<u>5,533,858</u>	<u>1,742,274</u>	<u>99,857,865</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 1,753,831</u>	<u>\$ 10,733,389</u>	<u>\$ 3,888,572</u>	<u>\$ 2,086,035</u>	<u>\$ 16,973,449</u>	<u>\$ 11,301,785</u>	<u>\$ 17,148,528</u>	<u>\$ 1,776,879</u>	<u>\$ 65,662,468</u>

The net book value of tangible capital assets not being amortized because they are under construction or development, or have been removed from service, is \$4,931,157 (2024 - \$3,336,265).

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

(Schedule 2 continued)

	Land	Buildings	Vehicles and Machinery	Recreation area and Equipment	Roads	Bridges and Culverts	Water Works Sanitary Sewers	Street Signs/ Lights and Sidewalks	2024
COST									
Balance, beginning of year	\$ 1,753,831	\$ 14,286,085	\$ 6,699,291	\$ 4,419,848	\$ 84,667,494	\$ 19,717,826	\$ 18,660,775	\$ 3,394,086	\$ 153,599,236
Additions during the year	0	789,586	558,722	439,767	1,771,428	425,021	2,249,075	90,427	6,324,026
Disposals during the year	<u>0</u>	<u>0</u>	<u>(14,070)</u>	<u>0</u>	<u>0</u>	<u>(49,003)</u>	<u>0</u>	<u>(66,327)</u>	<u>(129,400)</u>
Balance, end of year	<u>1,753,831</u>	<u>15,075,671</u>	<u>7,243,943</u>	<u>4,859,615</u>	<u>86,438,922</u>	<u>20,093,844</u>	<u>20,909,850</u>	<u>3,418,186</u>	<u>159,793,862</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	0	3,764,949	3,271,744	2,544,918	68,970,672	8,905,106	4,674,084	1,624,912	93,756,385
Amortization	0	342,300	346,614	211,600	1,301,034	415,955	432,098	95,211	3,144,812
Accumulated amortization disposals	<u>0</u>	<u>0</u>	<u>(14,070)</u>	<u>0</u>	<u>0</u>	<u>(45,461)</u>	<u>0</u>	<u>(29,292)</u>	<u>(88,823)</u>
Balance, end of year	<u>0</u>	<u>4,107,249</u>	<u>3,604,288</u>	<u>2,756,518</u>	<u>70,271,706</u>	<u>9,275,600</u>	<u>5,106,182</u>	<u>1,690,831</u>	<u>96,812,374</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 1,753,831</u>	<u>\$ 10,968,422</u>	<u>\$ 3,639,655</u>	<u>\$ 2,103,097</u>	<u>\$ 16,167,216</u>	<u>\$ 10,818,244</u>	<u>\$ 15,803,668</u>	<u>\$ 1,727,355</u>	<u>\$ 62,981,488</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025

(Schedule 3)

	2025	2024 (note 12)
SURPLUSES		
Investment in tangible capital assets	\$ 61,731,810	\$ 55,015,905
Unexpended capital financing	967,801	3,397,655
Investment in Northern Maple Utilities Inc.	<u>3,263,966</u>	<u>0</u>
	<u>65,963,577</u>	<u>58,413,560</u>
DISCRETIONARY RESERVE FUNDS		
Infrastructure Reserve Funds		
Core infrastructure	8,653,667	8,818,412
Facilities	1,505,106	1,442,456
Fire services	1,316,669	924,215
Parks and trails	815,108	776,708
Fleet	684,685	0
Machinery and equipment	370,196	0
Street lighting	197,090	183,917
IT infrastructure	140,262	0
Cemetery	9,050	0
Water Services	0	1,945,739
Wastewater Services	<u>0</u>	<u>862,870</u>
	<u>13,691,833</u>	<u>14,954,317</u>
RESERVES		
Tax Rate Stabilization Reserve	1,448,815	1,431,535
Labour Relation Reserve	417,579	258,433
Planning and Economic Development Reserve	220,509	171,752
Winter Maintenance Reserve	182,904	293,840
Sustainability	103,004	91,315
Elections Reserve	60,000	20,000
Emergency Management Reserve	23,984	0
Strategic Initiatives	43,840	0
Cemetery Reserve	<u>0</u>	<u>10,370</u>
	<u>2,500,635</u>	<u>2,277,245</u>
ACCUMULATED SURPLUS	<u>\$ 82,156,045</u>	<u>\$ 75,645,122</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
TRUST FUNDS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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 as at December 31, 2025 and the statement of continuity 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, 2025 and the continuity of the trust funds 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 Information 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, is 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 information.

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 represents 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
April 28, 2026

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

TRUST FUNDS

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	Drayton Cemetery	Hollen Cemetery	2025 Total	2024 Total
Assets				
Cash	\$ 273,669	\$ 0	\$ 273,669	\$ 271,647
Investments (note 2)	57,344	13,404	70,748	68,757
Due from (to) Township of Mapleton	<u>(142,196)</u>	<u>143,992</u>	<u>1,796</u>	<u>(6,367)</u>
Fund balance	<u>\$ 188,817</u>	<u>\$ 157,396</u>	<u>\$ 346,213</u>	<u>\$ 334,037</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

TRUST FUNDS

STATEMENT OF CONTINUITY

AS AT DECEMBER 31, 2025

	Drayton Cemetery	Hollen Cemetery	2025 Total	2024 Total
Fund balance, beginning of year	\$ <u>177,041</u>	\$ <u>156,996</u>	\$ <u>334,037</u>	\$ <u>324,580</u>
Capital receipts				
Sales of plots, maintenance fees	<u>11,776</u>	<u>400</u>	<u>12,176</u>	<u>9,457</u>
Fund balance, end of year	\$ <u><u>188,817</u></u>	\$ <u><u>157,396</u></u>	\$ <u><u>346,213</u></u>	\$ <u><u>334,037</u></u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

(a) **ACKNOWLEDGEMENT OF RESPONSIBILITY**

The financial statements of the The Corporation of the Township of Mapleton (the "Township") trust funds are the representation of management and approved by Council. The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of receipts and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

(b) **BASIS OF ACCOUNTING**

Receipts and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes receipts as they become available and measurable; expenses 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.

(c) **FINANCIAL INSTRUMENTS**

The Township trust funds classify all of their financial instruments at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument. Writedowns of financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net realizable value with the writedown being recognized in the statement of continuity.

2. INVESTMENTS

	2025	2024
Bank Bond Fund	\$ 13,404	\$ 13,500
GIC, 3.3% interest, maturing July 9, 2026	57,344	0
GIC, 4.65% interest, matured June 23, 2025	<u>0</u>	<u>55,257</u>
	<u><u>\$ 70,748</u></u>	<u><u>\$ 68,757</u></u>

3. FINANCIAL INSTRUMENT RISK MANAGEMENT

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The municipality is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure risks.