

Consolidated Financial Statements of

**THE CORPORATION OF THE
TOWNSHIP OF MAPLETON**

Year ended December 31, 2024

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

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Year Ended December 31, 2024

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Management Responsibility for Financial Reporting

For the Year ended December 31, 2024

The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of the management of The Corporation of the Township of Mapleton. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. These Financial Statements have been prepared by management within the reasonable limits of materiality and within the framework of Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Prior to their submission to Council, the Financial Statements are reviewed and approved by management. In addition, management meets periodically with the Township's external auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged.

RLB LLP, Chartered Professional Accountants as the Township's appointed external auditors, have audited the Financial Statements. The external auditors have full and free access to management and Council. The Independent Auditors' Report is dated July 8, 2025 and appears on the following pages. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Financial Statements are free of material misstatements and present fairly the financial position and results of the operations of the Township in accordance with Canadian public sector accounting standards.

Manny Baron,
Chief Administrative Officer

Patrick Kelly CPA, CMA
Chief Financial Officer / Treasurer

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, 2024 and the consolidated statements of operations, 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, 2024 and the consolidated 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 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

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Consolidated Statement of Financial Position

as at December 31, 2024

	2024	2023 (note 13)
Financial Assets		
Cash and short term investments	\$ 19,863,510	\$ 19,383,117
Taxes receivable	2,710,237	1,748,418
Accounts receivable	2,084,639	1,518,036
	<u>24,658,386</u>	<u>22,649,571</u>
Liabilities		
Accounts payable and accrued liabilities	3,562,113	2,511,577
Deferred revenue - other (note 4)	875,651	873,004
Deferred revenue - obligatory reserve funds (note 5)	(528,839)	1,800,229
Current portion of debentures payable (note 6)	702,381	684,784
	<u>4,611,306</u>	<u>5,869,594</u>
Debentures payable (note 6)	<u>7,495,276</u>	<u>8,022,777</u>
	<u>12,106,582</u>	<u>13,892,371</u>
Total net financial assets	<u>12,551,804</u>	<u>8,757,200</u>
Non-Financial Assets		
Tangible capital assets (Schedule II)	62,981,488	59,842,851
Inventories and supplies	82,749	81,017
Prepaid expenses	29,081	44,220
	<u>63,093,318</u>	<u>59,968,088</u>
Accumulated Surplus (note 12)	<u>\$ 75,645,122</u>	<u>\$ 68,725,288</u>

See accompanying notes to consolidated financial statements.

Approved on behalf of Council

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2024

	Budget (note 8)	2024	2023
Revenues			
Net taxation	\$ 9,944,012	\$ 10,381,547	\$ 9,653,842
Federal funding	337,865	485,830	63,470
Provincial funding	5,094,760	2,280,415	2,141,374
Fees from other municipalities	71,390	116,239	51,919
Fees and service charges	3,178,260	3,130,272	2,620,781
Penalties and interest on taxes	186,500	250,822	202,609
Interest, donations and other	263,523	977,102	1,120,742
Licenses & permits	599,350	523,582	588,282
Medical centre	161,700	156,100	160,793
Obligatory reserve funds (note 5)	792,865	3,446,618	747,041
Contribution from developers	-	-	343,356
Gain on disposal of tangible capital assets	-	59,423	23,546
Total revenues	20,630,225	21,807,950	17,717,755
Expenses (Schedule I)			
General government	2,048,463	2,537,767	2,196,692
Protection to persons and property	1,628,358	1,793,554	1,725,418
Transportation services	5,972,795	5,731,861	5,739,945
Environmental services	1,529,176	1,970,582	1,597,842
Health services	203,471	148,792	155,649
Social and family services	260,377	273,559	271,768
Recreation and cultural services	1,682,349	1,886,379	1,705,035
Planning and development	670,798	545,622	632,197
Total expenses	13,995,787	14,888,116	14,024,546
Annual surplus	6,634,438	6,919,834	3,693,209
Accumulated surplus, beginning of year		68,725,288	65,032,079
Accumulated surplus, end of year		\$ 75,645,122	\$ 68,725,288

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2024

	Budget (note 8)	2024	2023
Annual Surplus	\$ 6,634,438	\$ 6,919,834	\$ 3,693,209
Acquisition of tangible capital assets	(10,760,091)	(6,324,026)	(5,013,681)
Amortization of tangible capital assets	3,144,812	3,144,812	3,092,361
Proceeds on disposal of tangible capital assets	-	100,000	27,756
Gain on disposal of tangible capital assets	-	(59,423)	(23,546)
	(7,615,279)	(3,138,637)	(1,917,110)
Consumption of inventories and supplies	-	(1,732)	(11,353)
Use of prepaid expenses	-	15,139	13,437
	-	13,407	2,084
Increase (Decrease) in Net Financial Assets	(980,841)	3,794,604	1,778,183
Net Financial Assets, beginning of year		8,757,200	6,979,017
Net Financial Assets, end of year		<u>\$ 12,551,804</u>	<u>\$ 8,757,200</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Consolidated Statement of Cash Flows

Year ended December 31, 2024

	2024	2023
Operating Activities		
Annual Surplus	\$ 6,919,834	\$ 3,693,209
Sources (uses)		
Taxes receivable	(961,819)	(305,657)
Accounts receivable	(566,603)	172,279
Accounts payable and accrued liabilities	1,050,536	(1,047,312)
Inventories and supplies	(1,732)	13,437
Prepaid expenses	15,139	(11,353)
Obligatory reserve funds	(2,329,069)	390,284
Deferred revenue - other	2,647	(22,478)
	<u>4,128,933</u>	<u>2,882,409</u>
Non-cash charges to operations		
Amortization	3,144,812	3,092,361
Gain on disposal of tangible capital assets	(59,423)	(23,546)
	<u>7,214,322</u>	<u>5,951,224</u>
Capital activities		
Acquisition of tangible capital assets	(6,324,026)	(5,013,681)
Proceeds on disposal of tangible capital assets	100,000	27,756
	<u>(6,224,026)</u>	<u>(4,985,925)</u>
Financing activities		
Debenture repayments	(509,903)	(677,567)
Net increase in cash and short-term investments	<u>480,393</u>	<u>287,732</u>
Cash and short-term investments, beginning of year	<u>19,383,117</u>	<u>19,095,385</u>
Cash and short-term investments, end of year	<u>\$ 19,863,510</u>	<u>\$ 19,383,117</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Consolidated Financial Statements

Year ended December 31, 2024

1. MUNICIPAL STATUS

The Corporation of The Township of Mapleton was created on January 1, 1999 when the municipalities of Peel and Maryborough were amalgamated into a single legal entity under the Mapleton name. The Township operates as a lower tier government in the Province of Ontario, Canada. Mapleton provides municipal services such as fire protection, public works, water distribution, wastewater collection/treatment, urban/rural planning, recreation and cultural services, and other general government services.

2. 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.

The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

(a) Basis of Consolidation:

- (i) These 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 under the control of Council:

- Committee of Adjustment
- Drayton Victoria Cemetery
- Hollen Cemetery

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 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:

Trust funds amounting to \$334,037 (2023 - \$324,580) 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 Consolidated Financial Statements, continued

Year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued):

(b) 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.

(c) 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) Interest, donations and other revenues 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.

(d) Cash and Short-Term Investments

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

(e) Deferred Revenue

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

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued):

(f) 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.

(g) Non-Financial Assets

Non-financial assets are not normally 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 annual surplus (deficit) 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 attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land	not amortized
Buildings	25 to 50 years
Vehicles and machinery	17 to 20 years
Equipment	5 to 15 years
Infrastructure:	
Roads	10 to 50 years
Bridges and culverts	20 to 50 years
Waste, 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 (Donated)

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

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued):

(g) Non-Financial Assets (continued):

(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, supplies and prepaid expenses

Inventories and supplies held for consumption are recorded at the lower of cost and replacement cost. Prepaid expenses relate to expenditures incurred in the current period which relate to and will be expensed in a future fiscal period.

(h) Financial Instruments

(i) 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.

(ii) 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.

(iii) 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.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued):

(i) Use of estimates

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

3. 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 2024 compared to the previous period. The municipality does not have a significant exposure to any individual customer or counterpart.

4. DEFERRED REVENUE - OTHER:

- (a) The balances in deferred revenue-other on the statement of financial position are summarized by service area as follows:

	2024	2023
Parks and Recreation	\$ 4,725	\$ 2,004
Building	371,634	385,502
Planning	428,156	399,700
Public Works	46,136	36,797
Other	25,000	49,001
	<u>\$ 875,651</u>	<u>\$ 873,004</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2024

5. DEFERRED REVENUE – OBLIGATORY RESERVE FUNDS

A requirement of PSAB is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded.

(a) The balances in the obligatory reserve funds of the Township are summarized as follows:

	Opening Balance	Contributions Received	Investment Income	Revenue Recognized	Ending Balance
Development charges	\$ 304,543	\$ 462,377	\$ 56,559	\$ 2,837,516	(\$2,014,037)
Recreation land (in lieu of park land)	118,367	9,800	13,518	-	141,685
Building Reserve Fund	1,038,454	74,010	118,921	275,237	956,148
Canada Community Building Fund	338,865	345,981	36,384	333,865	387,365
	<u>\$ 1,800,229</u>	<u>\$ 892,168</u>	<u>\$ 225,382</u>	<u>\$ 3,446,618</u>	<u>(\$528,839)</u>

6. DEBENTURES PAYABLE

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

	2024	2023
Tile drainage loans, 6% due 2034	\$ 232,074	\$ 63,403
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%. Due 2031.	332,500	380,000
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.	421,000	470,000
Ten year debenture to finance bridge and streetlight projects. The coupon rate is 2.18% for the entire period of the loan. Due 2025.	46,971	93,943
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.	143,000	283,000
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.	4,258,213	4,585,767
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.	<u>2,763,899</u>	<u>2,831,448</u>
Net long term liabilities at the end of the year	8,197,657	8,707,561
Less: Current portion	<u>702,381</u>	<u>684,784</u>
	<u>\$ 7,495,276</u>	<u>\$ 8,022,777</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2024

6. DEBENTURES PAYABLE (continued)

Principal payments

Principal repayments, in aggregate, are as follows:

2025	\$	702,381
2026		516,515
2027		520,745
2028		525,105
2029		529,600
Thereafter		<u>5,403,311</u>
	\$	<u>8,197,657</u>

- (b) The interest required to service these issued commitments is \$267,743 (2023 - \$287,428). The principal and interest payments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing (MMAH).

7. AMOUNTS TO BE RECOVERED

The municipality will recover \$332,500 (2023 - \$380,000) 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 6 above.

The municipality will recover \$421,000 (2023 - \$470,000) 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 6 above.

The municipality will recover \$2,763,899 (2023 - \$2,831,448) of 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 water tower which is being repaid according to note 6 above.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2024

8. BUDGET AMOUNTS

Budget figures reported on the Statement of Operations and Accumulated Surplus are based on Council approved budget, reclassified and adjusted to comply with Public Sector Accounting Board (PSAB) reporting requirements. The Township has provided the following reconciliation of the PSAB reported surplus to the approved Council budget.

Annual Surplus under PSAB	\$ 6,634,438
Less:	
Transfer to Reserves	3,180,120
Transfer to Reserve Funds	1,148,705
Transfer to Capital	991,573
Capital Expenditures	10,760,091
Debt Principal Payments	678,574
	16,759,063
Add:	
Amortization	3,144,812
Transfer from Reserves	5,117,342
Transfer from Reserve Funds	1,862,471
	10,124,625
Budget Surplus, Council approved	\$ -

9. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF WELLINGTON:

Further to note 2(a)(ii), the taxation, other revenues, and requisitions for the School Boards and the County of Wellington, net of write-offs, are comprised of the following:

	School Boards	County
Taxation and user charges	\$ 4,162,514	\$ 13,994,895
Share of payments in lieu of taxes	-	26,395
	4,162,514	14,021,290
Payment	3,872,485	13,377,393
Overlevies (underlevies) end of year	\$ 290,029	\$ 643,897

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2024

10. ONTARIO MUNICIPAL EMPLOYEES' RETIREMENT FUND:

The Township makes matching contributions on behalf of its staff to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service, age and rates of pay.

Employee contributions in 2024 were at rates ranging from 9.0% to 14.6% (2023 – 9.0% to 14.6%) based on member earnings and were matched by the Township on a dollar-for-dollar basis. The amount contributed to OMERS by the Township for 2024 was \$321,224 (2023 - \$280,685) for current service and is included as an expense on the statement of operations and accumulated surplus.

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, 2024. At that time, the plan reported a \$2.9 billion funding deficit (2023 - \$4.2 billion deficit), based on an accrued pension obligation of \$140.7 billion (2023 - \$134.6 billion) and net assets available for benefits of \$138.4 billion (2023 - \$128.8 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.

11. 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 divisions. 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 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 of sale of cemetery plots and burials through the municipality's cemetery by-law. The Finance division is responsible for all financial functions including budgeting, financial reporting, asset management, payroll, accounts payable, accounts receivable, property tax administration, insurance, debt management, investments, water and sewer billings.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2024

11. SEGMENTED INFORMATION (continued)

Protection to Persons and Property

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

Transportation Services

The Transportation Services division is responsible for the maintenance of over 370 kilometers of municipal roads and 87 bridge structures, along with the property maintenance of all municipal facilities.

Environmental Services

The Environmental Services division is responsible for water and wastewater operations 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 division 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 division is responsible for PMD Arena operations, maintenance of community facilities, programming, turf maintenance at all municipal facilities, parks and playing fields in Alma, Drayton, Glen Allen and Moorefield.

Planning and Development

The Planning and Development division 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

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2024

12. ACCUMULATED SURPLUS

The following is a summary of the accumulated surplus divided into funds invested in tangible capital assets, unexpended capital financing within the capital program, discretionary reserve funds and reserves.

	2024	2023 (Note 13)
SURPLUSES		
Invested in tangible capital assets = TCAs less debentures	\$ 55,015,905	\$ 51,198,694
Unexpended capital financing	3,397,655	-
	58,413,560	51,198,694
DISCRETIONARY RESERVE FUNDS		
Infrastructure Reserve Funds		
Water Services	1,945,739	3,104,438
Wastewater Services	862,870	1,460,912
	2,808,609	4,565,350
RESERVES		
Infrastructure Reserves		
Roads and Bridges	8,818,412	7,840,460
Protective Services	924,215	762,957
Street Lighting	183,917	163,521
Parks	776,708	690,572
Recreation Facilities	1,442,456	1,282,489
Sustainability	91,315	85,972
Operating Reserves		
Cemetery	10,370	5,100
Labour Relations	258,433	258,433
Tax Rate Stabilization	1,431,535	1,431,535
Elections	20,000	20,000
Planning and Economic Development	171,752	152,705
Winter Control	293,840	267,500
	14,422,953	12,961,244
Accumulated Surplus	\$ 75,645,122	\$ 68,725,288

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Consolidated Financial Statements, continued

Year ended December 31, 2024

13. COMPARATIVE FIGURES

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

14. 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 the 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.

15. SUBSEQUENT EVENT

Subsequent to year end, the Township incorporated Northern Maple Utilities Inc. (NMU) which is a publicly owned Municipal Service Corporation that is responsible for water and wastewater operations and infrastructure throughout the Township. As of May 2025, water and wastewater assets and liabilities were transferred from the Township to NMU.

16. 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 insurance 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

SCHEDULE I – SEGMENTED INFORMATION

Year ended December 31, 2024

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2024
Salaries, wages, employee benefits	\$ 1,401,574	\$ 730,560	\$ 1,486,599	\$ 112,246	\$ 57,759	\$ 177,710	\$ 881,548	\$ 319,966	\$ 5,167,962
Interest on long term debt	6,530	-	157,179	99,916	-	-	314	3,804	267,743
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
Rents and financial expenses	12,795	-	-	52,488	-	10,200	9,681	-	85,164
External transfers	57,419	482,058	-	-	-	-	-	-	539,477
Amortization	116,065	132,140	2,140,093	511,154	2,466	-	233,999	8,895	3,144,812
	\$ 2,537,767	\$ 1,793,554	\$ 5,731,861	\$ 1,970,582	\$ 148,792	\$ 273,559	\$ 1,886,379	\$ 545,622	\$ 14,888,116

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development	2023 (Note 13)
Salaries, wages, employee benefits	\$ 1,199,353	\$ 738,965	\$ 1,293,022	\$ 86,135	\$ 67,495	\$ 163,501	\$ 798,176	\$ 306,590	\$ 4,653,237
Interest on long term debt	7,353	-	170,729	104,737	-	-	453	-	283,272
Materials	613,313	445,142	1,476,670	416,465	85,688	83,919	661,566	295,279	4,078,042
Contracted services	222,611	217,321	676,796	377,541	-	14,148	14,918	21,838	1,545,173
Rents and financial expenses	12,528	-	846	118,220	-	10,200	3,730	-	145,524
External transfers	18,522	208,415	-	-	-	-	-	-	226,937
Amortization	123,012	115,575	2,121,882	494,744	2,466	-	226,192	8,490	3,092,361
	\$ 2,196,692	\$ 1,725,418	\$ 5,739,945	\$ 1,597,842	\$ 155,649	\$ 271,768	\$ 1,705,035	\$ 632,197	\$ 14,024,546

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

SCHEDULE II – TANGIBLE CAPITAL ASSETS

Year ended December 31, 2024

	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	-	789,586	558,722	439,767	1,771,428	425,021	2,249,075	90,427	6,324,026
Disposals during the year	-	-	14,070	-	-	49,003	-	66,327	129,400
Balance, end 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
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	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 for the year	-	342,300	346,614	211,600	1,301,034	415,955	432,098	95,211	3,144,812
Accumulated amortization on disposal	-	-	14,070	-	-	45,461	-	29,292	88,823
Balance, end of year	-	4,107,249	3,604,288	2,756,518	70,271,706	9,275,600	5,106,182	1,690,831	96,812,374
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1,753,831	\$ 10,968,422	\$ 3,639,655	\$ 2,103,097	\$ 16,167,216	\$ 10,818,244	\$ 15,803,668	\$ 1,727,355	\$ 62,981,488

	Land	Buildings	Vehicles and Machinery	Recreation area and Equipment	Roads	Bridges and Culverts	Water Works Sanitary Sewers	Street Signs/Lights and Sidewalks	2023
COST									
Balance, beginning of 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
Additions during the year	-	128,495	542,194	123,960	1,655,483	1,453,511	1,027,685	82,353	5,013,681
Disposals during the year	-	-	767,581	-	23,690	57,416	-	-	848,687
Balance, end 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
ACCUMULATED AMORTIZATION									
Balance, beginning of 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
Amortization for the year	-	324,600	299,516	216,924	1,337,439	403,457	415,647	94,778	3,092,361
Accumulated amortization on disposal	-	-	766,824	-	21,301	56,352	-	-	844,477
Balance, end of year	-	3,764,949	3,271,744	2,544,918	68,970,672	8,905,106	4,674,084	1,624,912	93,756,385
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1,753,831	\$ 10,521,136	\$ 3,427,547	\$ 1,874,930	\$ 15,696,822	\$ 10,812,720	\$ 13,986,691	\$ 1,769,174	\$ 59,842,851

Assets under construction amount to \$3,336,265 (2023 - \$1,564,336)

Trust Fund Financial Statements of

**THE CORPORATION OF THE
TOWNSHIP OF MAPLETON**

Year ended December 31, 2024

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Index to the Trust Fund Financial Statements

Year Ended December 31, 2024

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Statement of Operations	6
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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 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, 2024 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, 2024 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 trust funds 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.

Guelph, Ontario

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Trust Funds - Statement of Financial Position

as at December 31, 2024

	Drayton Cemetery		Hollen Cemetery		2024	2023
Assets						
Cash	\$	125,174	\$	146,473	\$	271,647
Investments		55,257		13,500		68,757
Due from Township of Mapleton		(3,390)		(2,977)		(6,367)
Balance, Capital		177,041		156,996		334,037
						324,580

See accompanying notes to financial statements.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Trust Funds – Statement of Operations

Year ended December 31, 2024

	Drayton Cemetery (Note 2)	Hollen Cemetery (Note 3)	2024	2023
Balance, beginning of year	\$ 168,960	\$ 155,620	\$ 324,580	\$ 319,531
Capital Receipts				
Investment Income	-	-	-	-
Sales of plots, maintenance fees	8,081	1,376	9,457	5,049
	177,041	156,996	334,037	324,580
Expenditures				
Transfers to Township of Mapleton	-	-	-	-
Repayment to Province of Ontario	-	-	-	-
	-	-	-	-
Balance, end of year	<u>\$ 177,041</u>	<u>\$ 156,996</u>	<u>\$ 334,037</u>	<u>\$ 324,580</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON

Notes to Financial Statements

Year ended December 31, 2024

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 4.65% maturing June 23, 2025	\$ 51,528	\$ 55,257
Bank Deposit	125,174	125,174
	<hr/>	<hr/>
	\$ 176,702	\$ 180,431

3. Hollen Cemetery Schedule of Perpetual Care Fund

	Cost	Market Value
Bank Bond Fund	\$ 14,102	\$ 13,500
Bank Deposit	146,473	146,473
	<hr/>	<hr/>
	\$ 160,575	\$ 159,973