

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
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YEAR ENDED DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Corporation of the Township of Mapleton, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Township of Mapleton as at December 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

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

Guelph, Ontario
March 13, 2018

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

	2016	2015
FINANCIAL ASSETS		
Cash and short term investments	\$ 5,986,969	\$ 9,710,538
Taxes receivable	1,138,762	1,038,498
Trade and other receivables	<u>811,887</u>	<u>1,167,256</u>
	<u>7,937,618</u>	<u>11,916,292</u>
LIABILITIES		
Accounts payable and accrued liabilities	2,477,144	2,145,305
Deferred revenue (note 7)	1,604,932	1,405,222
Deferred grants	34,814	23,467
Trust account balance	9,955	5,590
Current portion of debentures payable (note 3)	<u>425,071</u>	<u>420,071</u>
	<u>4,551,916</u>	<u>3,999,655</u>
DEBENTURES PAYABLE (note 3)	<u>3,508,572</u>	<u>3,933,816</u>
(NET DEBT) NET FINANCIAL ASSETS	<u>(122,870)</u>	<u>3,982,821</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 2)	45,757,437	41,443,056
Inventory	50,997	29,738
Prepaid expenses	<u>11,895</u>	<u>10,038</u>
	<u>45,820,329</u>	<u>41,482,832</u>
ACCUMULATED SURPLUS (schedule 3)	<u>\$ 45,697,459</u>	<u>\$ 45,465,653</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 Budget (note 5)	2016 Actual	2015 Actual (note 11)
REVENUE			
Net taxation/user charges	\$ 6,028,205	\$ 6,009,751	\$ 5,238,151
Ontario funding	1,012,989	1,019,520	1,166,720
Licences and permits	339,650	322,688	404,741
Fees and service charges	895,783	1,172,818	1,279,850
Fees from other municipalities	53,200	59,569	88,499
Penalties and interest on taxes	120,000	168,425	148,428
Obligatory reserve funds revenue recognized (note 7)	303,697	303,697	409,950
Gain on disposal of tangible capital assets	0	500	26,653
Medical centre	175,000	158,100	157,650
Interest, donations and other	<u>159,400</u>	<u>333,072</u>	<u>424,404</u>
	<u>9,087,924</u>	<u>9,548,140</u>	<u>9,345,046</u>
EXPENSES (schedule 1)			
General government	1,118,943	1,041,446	1,166,164
Protection to persons and property	1,148,083	1,099,829	1,051,169
Transportation services	5,142,797	4,749,077	4,363,614
Environmental services	668,471	1,100,558	1,114,628
Health services	76,806	63,583	51,080
Social services	188,014	198,304	194,910
Recreation and culture	1,015,402	985,134	944,543
Planning and development	337,383	252,947	260,474
Medical centre	<u>90,603</u>	<u>96,068</u>	<u>87,371</u>
	<u>9,786,502</u>	<u>9,586,946</u>	<u>9,233,953</u>
NET (EXPENSES) REVENUE for the year	<u>(698,578)</u>	<u>(38,806)</u>	<u>111,093</u>
Change in amounts to be recovered (note 4)			
Medical centre	73,000	73,000	70,000
Wastewater expansion	65,000	65,000	64,000
Moorefield water/sewer plant	85,112	85,112	103,574
Lagoon land	<u>47,500</u>	<u>47,500</u>	<u>47,500</u>
	<u>270,612</u>	<u>270,612</u>	<u>285,074</u>
ANNUAL (DEFICIT) SURPLUS	<u>\$ (427,966)</u>	<u>\$ 231,806</u>	<u>\$ 396,167</u>
ACCUMULATED SURPLUS at beginning of year		\$ 45,465,653	\$ 45,069,486
Annual surplus		<u>231,806</u>	<u>396,167</u>
ACCUMULATED SURPLUS at end of year		<u>\$ 45,697,459</u>	<u>\$ 45,465,653</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 Budget (note 5)	2016 Actual	2015 Actual (note 11)
Annual (deficit) surplus	\$ (427,966)	\$ 231,806	\$ 396,167
Acquisition of tangible capital assets	(1,419,950)	(7,514,018)	(3,442,313)
Amortization of tangible capital assets	3,199,637	3,199,637	3,070,573
Gain on disposal of tangible capital assets	0	(500)	(26,653)
Proceeds on disposal of tangible capital assets	<u>0</u>	<u>500</u>	<u>54,949</u>
	<u>1,779,687</u>	<u>(4,314,381)</u>	<u>(343,444)</u>
Consumption of supplies inventory	0	(21,259)	(5,420)
Use of prepaid expense	<u>0</u>	<u>(1,857)</u>	<u>3,646</u>
	<u>0</u>	<u>(23,116)</u>	<u>(1,774)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	<u>\$ 1,351,721</u>	(4,105,691)	50,949
NET FINANCIAL ASSETS at beginning of year		<u>3,982,821</u>	<u>3,931,872</u>
(NET DEBT) NET FINANCIAL ASSETS at end of year		<u>\$ (122,870)</u>	<u>\$ 3,982,821</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Annual surplus	\$ <u>231,806</u>	\$ <u>396,167</u>
Items not requiring an outlay of cash		
Amortization	3,199,637	3,070,573
Gain on disposal of tangible capital assets	<u>(500)</u>	<u>(26,653)</u>
	<u>3,199,137</u>	<u>3,043,920</u>
Net changes in non-cash working capital		
Taxes receivable	(100,264)	14,102
Accounts receivable	355,369	964,513
Trust account balances	4,365	46,184
Accounts payable and accrued liabilities	331,839	196,595
Prepaid expenses	(1,857)	3,646
Inventory	(21,259)	(5,420)
Deferred revenue	199,710	196,540
Deferred grants	<u>11,347</u>	<u>7,327</u>
	<u>779,250</u>	<u>1,423,487</u>
	<u>4,210,193</u>	<u>4,863,574</u>
CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(7,514,018)	(3,442,313)
Proceeds on disposal of tangible capital assets	<u>500</u>	<u>54,949</u>
	<u>(7,513,518)</u>	<u>(3,387,364)</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Debentures (net)	<u>(420,244)</u>	<u>1,733,387</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,723,569)	3,209,597
CASH AND CASH EQUIVALENTS, beginning of year	<u>9,710,538</u>	<u>6,500,941</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 5,986,969</u>	<u>\$ 9,710,538</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) BASIS OF CONSOLIDATION

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

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

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

- (ii) Accounting for County and School Board Transactions:
The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Wellington are not reflected in the municipal fund balances of these financial statements. Overlevies (underlevies) are reported on the Consolidated Statement of Financial Position as Other Current Liabilities (Other Current Assets).
- (iii) Trust funds amounting to \$174,388 (2015 - \$169,493) and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds Statement of Operations and Statement of Financial Position.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Statement of Financial Position, under "Amounts to be Recovered".

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

(d) CASH AND CASH EQUIVALENTS

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

(e) DEFERRED REVENUE

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

(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.

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) NON-FINANCIAL ASSETS

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

(i) Tangible capital assets

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

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

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

(ii) Contributions of tangible capital assets

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

(iii) Leases

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

(iv) Inventories

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

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) FINANCIAL INSTRUMENTS

Measurement of financial instruments

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

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

Financial assets measured at amortized cost include cash, taxes receivable and trade and other receivables.

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

Impairment

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

Transaction costs

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

(i) USE OF ESTIMATES

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

2. FINANCIAL INSTRUMENTS

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

The extent of the municipality's exposure to these risks did not change in 2016 compared to the previous period.

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

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

3. DEBENTURES PAYABLE

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

	2016	2015
A fifteen year debenture was secured in 2006 by the municipality in order to assist with the costs associated with the construction of a new medical centre. The coupon rate fluctuates by year, increasing from 4.25% in year one to 4.85% in year fifteen.	\$ 402,000	\$ 475,000
A twenty year debenture was secured in 2011 by the municipality in order to assist with the purchase of land which will be used to facilitate the expansion of the wastewater lagoon. Semi-annual repayments are made in the amount of \$23,750 plus interest at 4.02%.	712,500	760,173
A ten year debenture was secured in 2012 by the municipality in order to assist with the expansion of the wastewater lagoon. The coupon rate fluctuates by year, increasing from 1.55% in year one to 3.35% in year ten.	947,000	1,012,000
A ten year debenture was secured in 2015 by the municipality in order to assist with the costs associated with various bridge and streetlight projects. The coupon rate is 2.18% for the entire period of the loan.	422,743	469,714
A five year debenture was secured in 2015 by the municipality in order to assist with the costs associated with various bridge and streetlight projects. The coupon rate is 1.48% for the entire period of the loan.	266,400	333,000
A ten year debenture was secured in 2015 by the municipality in order to assist with the costs associated with the new public works building. The coupon rate fluctuates by year, increasing from 3.55% in year one to 4.45% in year ten.	<u>1,183,000</u>	<u>1,304,000</u>
Net long term liabilities at the end of the year	3,933,643	4,353,887
Less: Current portion	<u>425,071</u>	<u>420,071</u>
	<u>\$ 3,508,572</u>	<u>\$ 3,933,816</u>

Principal repayments, in aggregate, are as follows:

2017	\$ 425,071
2018	430,071
2019	437,071
2020	443,071
2021	385,471
Thereafter	<u>1,812,888</u>
	<u>\$ 3,933,643</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

3. DEBENTURES PAYABLE (continued)

- (b) Of the net long term liabilities reported in (a) of this note, \$68,603 in principal payments are payable from 2017-2021 and \$0 thereafter, from benefiting landowners.
- (c) Charges for Net Long Term Liabilities
 The charges for long term liabilities assumed by individuals in the case of tile drainage loans are not reflected in these statements.

4. AMOUNTS TO BE RECOVERED

The municipality will recover \$0 (2015 - \$85,112) of expenses for water and sewer upgrades through area rates to those taxpayers benefiting from the capital expenditures as per council resolution, as the debt related to these upgrades was paid off in 2016.

The municipality will recover \$402,000 (2015 - \$475,000) of expenses for the construction of a medical centre through future operating surpluses from the operations of the medical centre. Expenditures to date have been financed from the general current fund. In fiscal 2006, a debenture was secured to provide cash flow for the construction of the medical centre, which is being repaid according to note 3 above. The first year of operations for the medical centre was fiscal 2008.

The municipality will recover \$712,500 (2015 - \$760,000) of expenses for the construction of a sewage lagoon through sewer rates to those users benefiting from the capital expenditures, as per council resolution. Expenditures to date have been financed from the general current fund. In fiscal 2011, a twenty year debenture was secured to provide cash flow for the construction of the wastewater lagoon, which is being repaid according to note 3 above.

The municipality will recover \$947,000 (2015 - \$1,012,000) of expenses for the expansion of a wastewater lagoon through sewer rates to those users benefiting from the capital expenditures, as per council resolution. Expenditures to date have been financed from the general current fund. In fiscal 2012, a ten year debenture was secured to provide cash flow for the expansion of the wastewater lagoon, which is being repaid according to note 3 above.

5. BUDGET AMOUNTS

The budgeted figures are presented for comparison purposes as prepared and approved by Council, reclassified to conform to the current financial statement presentation. They have not been audited or reviewed by the auditor. The budget figures have been adjusted from the cash basis of accounting as originally prepared, and restated to conform to the accrual basis of accounting.

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

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

	School Boards	County
Taxation and user charges	\$ 3,167,314	\$ 8,333,301
Requisitions paid	<u>(3,167,314)</u>	<u>(8,333,301)</u>
Overlevies (underlevies) at the end of the year	<u>\$ 0</u>	<u>\$ 0</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

7. PENSION AGREEMENT

The municipality began making contributions to the Ontario Municipal Employees' Retirement System (OMERS), which is a multi-employer plan, in September 2014. This plan is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS for 2016 was \$132,276 (2015 - \$101,412), and the contribution rates for 2016 ranged from 9% to 15.8%.

8. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

	DEC 31, 2015	CONTRIBUTIONS RECEIVED	INVESTMENT INCOME	REVENUE RECOGNIZED	DEC 31, 2016
Development charges	\$ 1,198,541	\$ 181,441	\$ 10,720	\$ 0	\$ 1,390,702
Recreational land (in lieu of park land)	65,474	5,700	586	0	71,760
Gas tax	<u>141,207</u>	<u>303,697</u>	<u>1,263</u>	<u>(303,697)</u>	<u>142,470</u>
	<u>\$ 1,405,222</u>	<u>\$ 490,838</u>	<u>\$ 12,569</u>	<u>\$ (303,697)</u>	<u>\$ 1,604,932</u>

9. TANGIBLE CAPITAL ASSETS

	Net 2016	Net 2015
General		
Land	\$ 2,018,699	\$ 2,018,699
Buildings	10,633,745	6,766,205
Vehicles and machinery	2,778,074	2,340,644
Recreation area and equipment	1,121,335	1,058,016
Infrastructure		
Roads	13,690,175	14,937,533
Bridges and culverts	6,323,176	5,380,733
Water works and sanitary sewer	7,806,461	7,512,521
Street signs/lights and sidewalks	<u>1,385,772</u>	<u>1,428,705</u>
	<u>\$ 45,757,437</u>	<u>\$ 41,443,056</u>

10. SEGMENTED INFORMATION

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

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

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

10. SEGMENTED INFORMATION (continued)

General Government

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

Protection to persons and property

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

Transportation Services

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

Environmental Services

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

Social Services

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

Recreation and Cultural Services

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

Planning and Development

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

11. COMPARATIVE FIGURES

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

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 1

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

	General Government	Protection Services	Transportation Services	Environmental Services	Social Services	Recreation and Cultural Services	Planning and Development	Health Services/ Medical Centre	2015
EXPENSES									
Salaries and benefits	\$ 710,946	\$ 557,260	\$ 707,903	\$ 62,387	\$ 118,139	\$ 432,340	\$ 153,072	\$ 41,934	\$ 2,783,981
Materials	184,531	179,278	964,653	338,451	67,920	372,728	103,233	60,732	2,271,526
Contracted services	186,160	32,455	156,541	406,586	236	13,757	4,169	0	799,904
Rents and financial expenses	17,988	0	0	57,912	8,615	0	0	25,655	110,170
Amortization	48,484	102,432	2,534,517	249,292	0	125,718	0	10,130	3,070,573
Other	18,055	179,744	0	0	0	0	0	0	197,799
	<u>\$ 1,166,164</u>	<u>\$ 1,051,169</u>	<u>\$ 4,363,614</u>	<u>\$ 1,114,628</u>	<u>\$ 194,910</u>	<u>\$ 944,543</u>	<u>\$ 260,474</u>	<u>\$ 138,451</u>	<u>\$ 9,233,953</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 2

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

	Land	Buildings	Vehicles and Machinery	Recreation area and Equipment	Roads	Bridges and Culverts	Water Works/ Sanitary sewer	Street Signs/lights and Sidewalks	2015
COST									
Balance, beginning of year	\$ 1,914,092	\$ 6,837,624	\$ 4,782,747	\$ 1,763,826	\$ 70,835,391	\$ 11,165,757	\$ 10,840,916	\$ 2,014,582	\$110,154,935
Additions during the year	104,607	91,948	225,573	147,055	0	178,167	0	362,332	1,109,682
Disposals during the year	0	0	(295,928)	(38,516)	(1,073,901)	0	0	0	(1,408,345)
Assets under construction	0	1,538,194	0	0	65,118	529,068	200,251	0	2,332,631
Balance, end of year	<u>2,018,699</u>	<u>8,467,766</u>	<u>4,712,392</u>	<u>1,872,365</u>	<u>69,826,608</u>	<u>11,872,992</u>	<u>11,041,167</u>	<u>2,376,914</u>	<u>112,188,903</u>
ACCUMULATED AMORTIZATION									
Balance, beginning of year	0	1,572,578	2,399,798	707,282	53,866,318	6,306,941	3,314,869	887,537	69,055,323
Amortization for the year	0	128,983	252,749	132,416	2,096,658	185,318	213,777	60,672	3,070,573
Accumulated amortization on disposals	0	0	(280,799)	(25,349)	(1,073,901)	0	0	0	(1,380,049)
Balance, end of year	<u>0</u>	<u>1,701,561</u>	<u>2,371,748</u>	<u>814,349</u>	<u>54,889,075</u>	<u>6,492,259</u>	<u>3,528,646</u>	<u>948,209</u>	<u>70,745,847</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 2,018,699</u>	<u>\$ 6,766,205</u>	<u>\$ 2,340,644</u>	<u>\$ 1,058,016</u>	<u>\$ 14,937,533</u>	<u>\$ 5,380,733</u>	<u>\$ 7,512,521</u>	<u>\$ 1,428,705</u>	<u>\$ 41,443,056</u>

See notes to the consolidated financial statements

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 3

	2016	2015
SURPLUSES		
Invested in tangible capital assets	\$ 41,823,794	\$ 37,089,169
Current fund	(881,131)	3,384,560
Unfunded		
Sewage lagoon	(712,500)	(760,000)
Moorefield water/sewer plant	0	(85,112)
Medical centre	(402,000)	(475,000)
Wastewater expansion	(947,000)	(1,012,000)
	<u>38,881,163</u>	<u>38,141,617</u>
RESERVE FUNDS		
Building	175,506	146,415
Drayton and Moorefield water and sewer	1,914,856	2,058,637
	<u>2,090,362</u>	<u>2,205,052</u>
RESERVES		
Capital Reserves		
Administration Reserve	1,143,953	1,016,597
Protection Services Reserve	25,348	25,348
Transportation Services Reserve	567,374	567,374
Drayton Sewer Reserve	0	0
Drayton Cemetery Reserve	0	0
Recreation - Parks Reserve	2,879	2,879
	<u>1,739,554</u>	<u>1,612,198</u>
Special Purpose Reserves		
Working Capital Reserve	633,953	1,237,944
Protection Services Reserve	121,616	300,547
Transportation Services Reserve	1,239,543	1,025,173
Environmental Services Reserve	254,627	342,409
Cemetery Reserve	82,119	77,119
Recreation - Parks Reserve	245,933	127,270
Recreation - Facilities Reserve	287,484	251,129
Planning and Development Reserve	121,105	145,195
	<u>2,986,380</u>	<u>3,506,786</u>
	<u>4,725,934</u>	<u>5,118,984</u>
	<u>\$ 45,697,459</u>	<u>\$ 45,465,653</u>



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the trust funds of The Corporation of the Township of Mapleton, which comprise the statement of financial position of the trust funds as at December 31, 2016 and statement of operations of the trust funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the Township of Mapleton as at December 31, 2016 and the results of their operations for the year then ended in accordance with Canadian public sector accounting standards.

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

Guelph, Ontario
March 13, 2018

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
TRUST FUNDS - STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Drayton Cemetery (note 2)	Hollen Cemetery (note 3)	Total 2016	Total 2015
BALANCE, beginning of year	\$ 122,714	\$ 46,779	\$ 169,493	\$ 166,986
CAPITAL RECEIPTS				
Investment income	154	111	265	277
Sale of plots, maintenance fees	<u>3,890</u>	<u>740</u>	<u>4,630</u>	<u>2,230</u>
	<u>4,044</u>	<u>851</u>	<u>4,895</u>	<u>2,507</u>
EXPENDITURE				
Transfer to Township of Mapleton	0	0	0	0
Repayment to Province of Ontario	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
BALANCE, end of year	<u>\$ 126,758</u>	<u>\$ 47,630</u>	<u>\$ 174,388</u>	<u>\$ 169,493</u>

THE CORPORATION OF THE TOWNSHIP OF MAPLETON
TRUST FUNDS - STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

	Drayton Cemetery	Hollen Cemetery	Total 2016	Total 2015
ASSETS				
Cash	\$ 73,898	\$ 32,399	\$ 106,297	\$ 105,271
Trust company certificates	49,507	14,715	64,222	64,222
Due from Township of Mapleton	<u>3,353</u>	<u>516</u>	<u>3,869</u>	<u>0</u>
BALANCE, Capital	<u>\$ 126,758</u>	<u>\$ 47,630</u>	<u>\$ 174,388</u>	<u>\$ 169,493</u>

See notes to the financial statements

**THE CORPORATION OF THE TOWNSHIP OF MAPLETON
TRUST FUNDS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. ACCOUNTING POLICIES

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

2. DRAYTON VICTORIA CEMETERY SCHEDULE OF PERPECTUAL CARE FUND

Description	Cost	Market Value
Bank GIC, interest at 2.26%, maturing May 25, 2020	\$ 49,489	\$ 49,507
Bank deposit	<u>73,898</u>	<u>73,898</u>
	<u>\$ 123,387</u>	<u>\$ 123,405</u>

3. HOLLEN CEMETERY SCHEDULE OF PERPECTUAL CARE FUND

Description	Cost	Market Value
Bank Bond Fund	\$ 14,102	\$ 14,715
Bank deposit	<u>32,399</u>	<u>32,399</u>
	<u>\$ 46,501</u>	<u>\$ 47,114</u>