

The Corporation of the Township of Mapleton

Consolidated Financial Statements

December 31, 2020

The Corporation of the Township of Mapleton

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YEAR ENDED December 31, 2020

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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, 2020 and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Mapleton as at December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Corporation of the Township of Mapleton in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Guelph, Ontario
May 25, 2021



Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Township of Mapleton

Consolidated Statement of Financial Position

As At December 31, 2020

	2020	2019
Financial Assets		
Cash and short term investments	\$ 18,339,741	\$ 16,537,902
Taxes receivable	1,514,090	1,205,505
Trade and other receivables	1,789,301	1,120,946
	<u>21,643,132</u>	<u>18,864,353</u>
Liabilities		
Accounts payable and accrued liabilities	2,876,406	2,438,236
Deferred revenue (note 8)	2,037,921	1,510,670
Current portion of debentures payable (note 3)	713,026	770,626
	<u>5,627,353</u>	<u>4,719,532</u>
Debentures Payable (note 3)	7,053,762	7,766,789
	<u>12,681,115</u>	<u>12,486,321</u>
Total net financial assets	<u>8,962,017</u>	<u>6,378,032</u>
Non Financial Assets		
Tangible capital assets (schedule 2)	49,072,780	48,940,115
Inventory	77,381	81,851
Prepaid expenses	35,190	54,183
	<u>49,185,351</u>	<u>49,076,149</u>
Accumulated surplus (deficit) - ending	<u>\$ 58,147,368</u>	<u>\$ 55,454,181</u>

See notes to the consolidated financial statements

The Corporation of the Township of Mapleton

Consolidated Statement of Operations

For the Year Ended December 31, 2020

	2020 Budget (note 5)	2020	2019
Revenue			
Net taxation	\$ 8,502,691	\$ 8,684,328	\$ 7,955,288
Federal funding	-	45,000	41,440
Ontario funding	1,425,508	1,655,004	2,037,091
Fee from other municipalities	62,424	122,918	76,670
Fees and service charges	1,881,792	1,914,921	1,578,368
Penalties and interest on taxes	197,794	122,655	208,456
Interest, donations and other	106,258	400,744	577,837
Medical centre	160,000	164,508	161,808
Obligatory reserve funds revenue recognized (note 8)	334,350	319,350	2,028,750
Licenses & permits	531,579	521,089	461,797
Gain (loss) on disposal of tangible capital assets	-	258,280	631,624
Total revenues	13,202,396	14,208,797	15,759,129
Expenses (schedule 1)			
General government	1,436,685	1,601,054	1,661,017
Protection to persons and property	1,383,467	1,333,674	1,286,776
Transportation services	5,808,072	5,534,409	5,507,319
Environmental services	1,060,174	1,155,685	1,062,021
Health services	208,500	135,343	141,640
Social and family services	185,268	256,524	196,850
Recreation and cultural services	1,112,872	1,127,325	1,028,941
Planning and development	483,590	371,596	427,982
Total expenses	11,678,628	11,515,610	11,312,546
Annual surplus (deficit)	1,523,768	2,693,187	4,446,583
Accumulated surplus at beginning of the year		55,454,181	51,007,598
Accumulated surplus at end of the year		\$ 58,147,368	\$ 55,454,181

See notes to the consolidated financial statements

The Corporation of the Township of Mapleton

Consolidated Statement of Change in Net Financial Assets

For the Year Ended December 31, 2020

	2020 Budget (note 5)	2020 Actual	2019 Actual
Annual surplus	\$ 1,523,768	\$ 2,693,187	\$ 4,446,583
Acquisition of tangible capital assets	(5,941,100)	(3,549,952)	(5,641,455)
Amortization of tangible assets	3,354,053	3,315,558	3,354,053
Loss(gain) on disposal of tangible capital assets	-	(258,280)	(631,624)
Proceeds of disposal of tangible capital assets	-	360,009	940,519
	(2,587,047)	(132,665)	(1,978,507)
Consumption of supplies inventory	-	4,470	9,022
Use of prepaid expenses	-	18,993	(24,854)
	-	23,463	(15,832)
(Decrease) Increase in Net Financial Assets	(1,063,279)	2,583,985	2,452,244
Net Financial Assets (Net Debt), beginning of year		6,378,032	3,925,788
Net Financial Assets, end of the year		\$ 8,962,017	\$ 6,378,032

See notes to the consolidated financial statements

The Corporation of the Township of Mapleton

Consolidated Statement of Cash Flow

For the Year Ended December 31, 2020

	2020	2019
Cash Provided by (used in) Operating Activities		
Annual surplus	\$ 2,693,187	\$ 4,446,583
Items not requiring an outlay of cash		
Amortization	3,315,558	3,354,053
Loss (gain) on disposal of tangible capital assets	(258,280)	(631,624)
	<u>3,057,278</u>	<u>2,722,429</u>
Net changes in non-cash working capital		
Taxes receivable	(308,585)	193,619
Accounts receivable	(668,355)	658,681
Accounts payable and accrued liabilities	438,170	(534,825)
Prepaid	18,993	(24,854)
Inventory	4,470	9,022
Deferred revenue	527,251	(1,035,423)
	<u>11,944</u>	<u>(733,780)</u>
	<u>5,762,409</u>	<u>6,435,232</u>
Cash Provided by (used in) Capital Activities		
Acquisition of tangible capital assets	(3,549,952)	(5,641,455)
Proceeds on disposal of tangible capital assets	360,009	940,519
	<u>(3,189,943)</u>	<u>(4,700,936)</u>
Cash Provided by (used in) Financing Activities		
Debentures (net)	(770,627)	(764,626)
Net Increase in Cash	<u>1,801,839</u>	<u>969,670</u>
Cash and short term investments, beginning of year	16,537,902	15,568,232
Cash and short term investments, end of the year	<u>\$ 18,339,741</u>	<u>\$ 16,537,902</u>

See notes to the consolidated financial statements

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. ACKNOWLEDGEMENT OF RESPONSIBILITY

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

B. BASIS OF CONSOLIDATION

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

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

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

- ii) Accounting for County and School Board Transactions:
The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Wellington are not reflected in the municipal fund balances of these financial statements. Over levies (under levies) are reported on the consolidated statement of financial position as accounts payable and accrued liabilities (accounts receivable).
- iii) Trust funds amounting to \$299,468 (2019 - \$202,658) 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, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. BASIS OF ACCOUNTING

- i) Sources of financing and expenditures are reported on the accrual basis of accounting
- ii) The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay
- iii) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Consolidated Schedule of Accumulated Surplus within the Current Fund balance.

D. REVENUE RECOGNITION

Revenues are recognized as follows

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

E. CASH AND SHORT TERM INVESTMENTS

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

F. DEFERRED REVENUE

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

G. AMOUNTS TO BE RECOVERED

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

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. NON-FINANCIAL ASSETS

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

i) Tangible Capital Assets

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

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

Assets under construction are not amortized until the asset is available for productive use. Minor subclasses such as mechanical or electrical components are amortized by the declining balance method at 5%, small parts at 10% and IT components at 30%.

ii) Contributions of Tangible Capital Assets

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

iii) Leases

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

iv) Inventories

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

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. FINANCIAL INSTRUMENTS

Measurement of Financial Instruments

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

The municipality subsequently measures all its financial assets and financial liabilities at amortized cost.

Impairments

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

Transaction Costs

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

J. USE OF ESTIMATES

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

2. FINANCIAL INSTRUMENTS

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

The extent of the municipality's exposure to these risks did not change in 2020 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, 2020

3. DEBENTURES PAYABLE

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

	2020	2019
Fifteen year debenture to finance construction of a new medical centre. The coupon rate fluctuates by year, increasing from 4.25% in year one to 4.85% in year fifteen. Due 2021	\$ 88,000	\$ 171,000
Twenty year debenture for the purchase of land for expansion of a wastewater lagoon. Semi annual repayments of \$23,750 plus interest at 4.02%. Due 2031	522,500	570,000
Ten year debenture to assist with expansion of the wastewater lagoon. The coupon rate fluctuates by year, increasing from 1.55% in year one to 3.35% in year ten. Due 2022	671,000	742,000
Ten year debenture to finance bridge and streetlight projects. The coupon rate is 2.18% for the entire period of the loan. Due 2025.	234,857	281,829
Five year debenture to finance bridge and streetlight projects. The coupon rate is 1.48% for the entire period of the loan. Due 2020	-	66,600
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	682,000	810,000
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.	5,568,431	5,895,986
Net long term liabilities at the end of the year	7,766,788	8,537,415
Less: Current portion	713,026	770,626
	<u>\$ 7,053,762</u>	<u>\$ 7,766,789</u>

Principal payments

Principal repayments, in aggregate, are as follows:

2021	\$ 713,026
2022	1,153,026
2023	558,026
2024	562,026
2025	565,026
Thereafter	4,215,658
	<u>\$ 7,766,788</u>

b. The interest required to service these issued commitments is \$275,084 (2019 \$297,168). The principal and interest payments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs.

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

3. DEBENTURES PAYABLE

- c. Excluded from net long term liabilities reported in (a) of this note, \$18,735 in principal payments are payable from 2021 to 2025 and \$16,254 thereafter, and collectable from benefiting landowners for tile drainage loans
- d. The charges for long term liabilities assumed by individuals in the case of tile drainage loans are not reflected in these statements.

4. AMOUNTS TO BE RECOVERED

The municipality will recover \$88,000 (2019 \$171,000) 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 \$522,500 (2019 \$570,000) 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 \$671,000 (2019 \$742,000) 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.

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

5. BUDGET AMOUNTS

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

Revenues	
Approved Budget	\$ 19,484,612
Debentures	(36,766)
Transfers from reserves and reserve funds	<u>(6,245,450)</u>
Total revenues	<u>13,202,396</u>
Expenses	
Approved Budget	19,484,612
Acquisition of tangible capital assets	(5,941,100)
Debentures	(36,766)
Debt principal repayment	(770,626)
Amortization	3,354,053
Contribution from Operating to Capital and Reserves and Reserve Funds	<u>(4,411,545)</u>
Total expenses	<u>11,678,628</u>
	<u>\$ 1,523,768</u>

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

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

	School Boards	County
Taxation and user charges	\$ 3,794,630	\$ 11,295,883
Requisitions paid	3,682,295	11,108,972
Over levies (under levies) at the end of the year	<u>\$ 112,335</u>	<u>\$ 186,911</u>

7. PENSION AGREEMENTS

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 2020 was \$217,528 (2019 \$174,180), and the contribution rates for 2020 ranged from 9% to 15.8%.

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

8. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

	DEC 31, 2019	Contributions Received	Investment Income	Revenue Recognized	DEC 31, 2020
Development charges	\$ 774,300	\$ 505,555	\$ 8,671	\$ -	\$ 1,288,526
Recreational land (in lieu of park land)	83,375	5,600	841	-	89,816
Gas tax	652,995	319,350	6,584	(319,350)	659,579
	<u>\$ 1,510,670</u>	<u>\$ 830,505</u>	<u>\$ 16,096</u>	<u>\$ (319,350)</u>	<u>\$ 2,037,921</u>

9. TANGIBLE CAPITAL ASSETS

	Net 2020	Net 2019
General		
Land	\$ 1,753,831	\$ 1,855,551
Buildings	10,761,241	10,952,048
Vehicles and machinery	3,440,285	2,898,905
Recreation area and equipment	1,756,822	1,609,021
Infrastructure		
Roads	13,632,782	14,237,434
Bridges and culverts	8,723,865	8,269,798
Water works and sanitary sewer	7,649,595	7,785,517
Street signs/lights and sidewalks	1,354,359	1,331,841
	<u>\$ 49,072,780</u>	<u>\$ 48,940,115</u>

Assets under construction amount to \$324,267 (2019 \$269,802)

10. SEGMENTED INFORMATION

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

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

General Government

General Government department consists of the CAO, Clerk and Finance departments. The office of the CAO is responsible for the effective overall management of the municipality including implementing policies and procedures that protect the assets and resources of

The Corporation of the Township of Mapleton

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

10. SEGMENTED INFORMATION

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.

Health Services

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

Social and Family Services

The Social and Family Services department is the newest department within the umbrella of municipal services and is being funded by the Waterloo Wellington Local Health Integration Network. The program is designed to help seniors remain in their homes for longer periods of time.

Recreation and Cultural Services

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

Planning and Development

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

The Corporation of the Township of Mapleton

Consolidated Schedule of Segmented Disclosure

For the Year Ended December 31, 2020

	General government	Protection services	Transportation services	Environmental services	Health services	Social and Family Services	Recreation and cultural services	Planning and development	2020
Salaries, wages, employee benefits	\$ 943,886	\$ 737,508	\$ 1,172,430	\$ 83,098	\$ 63,277	\$ 133,207	\$ 493,809	\$ 188,829	\$ 3,816,044
Materials	202,590	278,107	1,081,040	131,781	32,139	94,508	193,327	164,358	2,177,850
Contracted services	246,260	138,601	419,387	323,281	-	11,211	4,502	5,947	1,149,189
Utilities & Insurance costs	76,237	54,512	165,975	89,906	31,675	8,298	228,969	2,712	658,284
Financial expenses	18,711	-	213,255	148,385	8,252	9,300	782	-	398,685
Amortization of tangible assets	113,370	124,946	2,482,322	379,234	-	-	205,936	9,750	3,315,558
	\$ 1,601,054	\$ 1,333,674	\$ 5,534,409	\$ 1,155,685	\$ 135,343	\$ 256,524	\$ 1,127,325	\$ 371,596	\$ 11,515,610

	General government	Protection services	Transportation services	Environmental services	Health services	Social and Family Services	Recreation and cultural services	Planning and development	2019
Salaries, wages, employee benefits	\$ 848,197	\$ 699,349	\$ 903,232	\$ 154,944	\$ 57,866	\$ 118,672	\$ 459,590	\$ 220,402	\$ 3,462,252
Materials	292,734	295,750	1,038,459	89,363	35,090	48,179	217,288	198,932	2,215,795
Contracted services	367,091	130,204	406,537	319,774	-	11,525	3,979	4,765	1,243,875
Utilities & Insurance costs	81,188	49,447	161,524	88,686	25,564	7,464	207,792	3,883	625,548
Financial expenses	18,813	-	229,132	136,905	12,052	11,010	3,111	-	411,023
Amortization of tangible assets	52,994	112,026	2,768,435	272,349	11,068	-	137,181	-	3,354,053
	\$ 1,661,017	\$ 1,286,776	\$ 5,507,319	\$ 1,062,021	\$ 141,640	\$ 196,850	\$ 1,028,941	\$ 427,982	\$ 11,312,546

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, 2020

	Land	Buildings	Vehicles and Machinery	Recreation area and Equipment	Roads	Bridges and Culverts	Water Works Sanitary sewers	Street Signs/lights and Sidewalks	2020
COST									
Balance, beginning of year	\$ 1,855,551	\$ 13,475,354	\$ 6,123,458	\$ 3,289,212	\$ 77,400,779	\$ 15,736,107	\$ 11,122,942	\$ 2,604,127	\$ 131,607,530
Additions during the year	-	107,918	851,923	364,937	1,111,641	838,235	172,247	103,042	3,549,943
Disposals during the year	101,720	-	-	-	-	-	-	-	101,720
Balance, end of the year	1,753,831	13,583,272	6,975,381	3,654,149	78,512,420	16,574,342	11,295,189	2,707,169	135,055,753
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	2,523,306	3,224,553	1,680,191	63,163,345	7,466,309	3,337,425	1,272,286	82,667,415
Amortization for the year	-	298,725	310,543	217,136	1,716,293	384,168	308,169	80,524	3,315,558
Balance, end of the year	-	2,822,031	3,535,096	1,897,327	64,879,638	7,850,477	3,645,594	1,352,810	85,982,973
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1,753,831	\$ 10,761,241	\$ 3,440,285	\$ 1,756,822	\$ 13,632,782	\$ 8,723,865	\$ 7,649,595	\$ 1,354,359	\$ 49,072,780

	Land	Buildings	Vehicles and Machinery	Recreation area and Equipment	Roads	Bridges and Culverts	Water Works Sanitary sewers	Street Signs/lights and Sidewalks	2019
COST									
Balance, beginning of year	\$ 2,018,699	\$ 13,640,992	\$ 5,352,876	\$ 2,990,824	\$ 73,943,227	\$ 15,407,268	\$ 11,037,076	\$ 2,450,799	\$ 126,841,761
Additions during the year	20,070	144,487	956,487	298,388	3,457,551	328,839	85,866	153,328	5,445,016
Disposals during the year	183,218	310,125	185,905	-	-	-	-	-	679,248
Balance, end of the year	1,855,551	13,475,354	6,123,458	3,289,212	77,400,778	15,736,107	11,122,942	2,604,127	131,607,529
ACCUMULATED AMORTIZATION									
Balance, beginning of year	-	2,401,625	3,111,111	1,422,870	61,211,163	7,192,136	3,126,808	1,207,436	79,673,149
Amortization for the year	-	295,662	299,348	257,321	1,952,182	274,173	210,517	64,850	3,354,053
Accumulated amortization on disposal	-	173,981	185,906	-	-	-	-	-	359,887
Balance, end of the year	-	2,523,306	3,224,553	1,680,191	63,163,345	7,466,309	3,337,325	1,272,286	82,667,315
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 1,855,551	\$ 10,952,048	\$ 2,898,905	\$ 1,609,021	\$ 14,237,433	\$ 8,269,798	\$ 7,785,617	\$ 1,331,841	\$ 48,940,214

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, 2020

	2020	2019
SURPLUSES		
Invested in tangible capital assets	\$ 41,305,993	\$ 40,402,700
Current Fund	485,621	1,466,239
	<u>41,791,614</u>	<u>41,868,939</u>
RESERVE FUNDS		
Obligatory Building Reserve Fund	794,209	680,791
Discretionary Environmental Reserve Fund	2,817,174	2,576,781
	<u>3,611,383</u>	<u>3,257,572</u>
RESERVES		
Capital Reserve	10,118,305	8,296,009
Cemetery Reserve	98,119	93,119
Protective Services Reserve	192,396	78,574
Labour Relation Reserve	258,433	258,433
Election Reserves	20,000	20,000
Tax Rate Stabilization Reserve	1,865,116	1,431,535
Winter Control Reserve	192,000	150,000
	<u>12,744,369</u>	<u>10,327,670</u>
Accumulated surplus	<u>\$ 58,147,368</u>	<u>\$ 55,454,181</u>

See notes to the consolidated financial statements

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Mapleton, which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Mapleton as at December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Corporation of the Township of Mapleton in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Guelph, Ontario
May 25, 2021



Chartered Professional Accountants
Licensed Public Accountants

The Corporation of the Township of Mapleton

Trust Funds - Statement of Financial Position

As At December 31, 2020

	Drayton Cemetery	Hollen Cemetery	2020	2019
Assets				
Cash	\$ 96,617	\$ 139,629	\$ 236,246	\$ 138,646
Trust company certificates	49,955	15,997	65,952	64,492
Due from Township of Mapleton	(1,714)	(1,016)	(2,730)	(480)
Balance, Capital	\$ 144,858	\$ 154,610	\$ 299,468	\$ 202,658

See notes to the financial statements

The Corporation of the Township of Mapleton

Trust Funds - Statement of Operations

For the Year Ended December 31, 2020

	Drayton Cemetery (note 2)	Hollen Cemetery (note 3)	2020	2019
Balance, beginning of year	\$ 137,398	\$ 65,260	\$ 202,658	\$ 199,868
Capital Receipts				
Investment Income	-	-	-	-
Sales of plots, maintenance fees	7,460	89,350	96,810	2,790
	<u>7,460</u>	<u>89,350</u>	<u>96,810</u>	<u>2,790</u>
Expenditures				
Transfers to Township of Mapleton	-	-	-	-
Repayment to Province of Ontario	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 144,858</u>	<u>\$ 154,610</u>	<u>\$ 299,468</u>	<u>\$ 202,658</u>

See notes to the financial statements

The Corporation of the Township of Mapleton

Notes to the Financial Statements

For the Year Ended December 31, 2020

1. Accounting Policies

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

2. Note 2. Drayton Victoria Cemetery Schedule of Perpetual Care Fund

	Cost	Market Value
Bank GIC, interest at 1.25% maturing Feb 26,2021	\$ 49,581	\$ 49,955
Bank Deposit	96,617	96,617
	<hr/>	<hr/>
	\$ 146,198	\$ 146,572

3. Note 3. Hollen Cemetery Schedule of Perpetual Care Fund

	Cost	Market Value
Bank Bond Fund	\$ 14,102	\$ 15,997
Bank deposit	139,629	139,629
	<hr/>	<hr/>
	\$ 153,731	\$ 155,626